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October 7, 2025

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Item 1A

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: September 25, 2025

TO: Office of Commission Clerk (Teitzman)

FROM: Office of Industry Development and Market Analysis (Williams, CH
Fogleman)
Office of the General Counsel (Farooqi, Imig) SPS

RE: Application for Certificate of Authority to Provide Telecommunications Service

AGENDA: 10/7/2025 - Consent Agenda - Proposed Agency Action - Interested Persons May Participate

SPECIAL INSTRUCTIONS: None

Please place the following Application for Certificate of Authority to Provide Telecommunications Service on the consent agenda for approval.

<u>DOCKET NO.</u>	<u>COMPANY NAME</u>	<u>CERT. NO.</u>
20250095-TX	Smart Building US LLC d/b/a Smart Building	9007

The Commission is vested with jurisdiction in this matter pursuant to Section 364.335, Florida Statutes. Pursuant to Section 364.336, Florida Statutes, certificate holders must pay a minimum annual Regulatory Assessment Fee if the certificate is active during any portion of the calendar year. A Regulatory Assessment Fee Return Notice will be mailed each December to the entity listed above for payment by January 30.

Item 1B

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: September 25, 2025

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Accounting and Finance (Souchik, D. Buys) *MC*
Office of the General Counsel (Marquez) *SPS*

RE: Docket No. 20250100-EI - Application for authority to issue and sell securities during calendar years 2026 and 2027, pursuant to Section 366.04, F.S., and Chapter 25-8, F.A.C., by Florida Power and Light Company.

AGENDA: 10/7/2025 - Consent Agenda - Final Action - Interested Persons May Participate

SPECIAL INSTRUCTIONS: None

Please place the following application for authority to issue and sell securities on the consent agenda for approval.

Docket No. 20250100-EI – *Application for authority to issue and sell securities during calendar years 2026 and 2027, pursuant to Section 366.04, F.S., and Chapter 25-8, F.A.C., by Florida Power and Light Company.*

Florida Power & Light Company (FPL or Company) requests authorization to issue and sell and/or exchange any combination of long-term debt and equity securities and/or to assume liabilities or obligations as guarantor, endorser or surety in an aggregate amount not to exceed \$8.6 billion during calendar year 2026.

In addition, FPL requests authorization to issue and sell short-term securities in an amount or amounts such that the aggregate principal of short-term securities outstanding at the time of and including any such sale shall not exceed \$5.6 billion during calendar years 2026 and 2027.

In its application, the Company confirms that any such issuance described will be used in connection with the regulated activities of FPL, and not the nonregulated activities of its affiliates.

Staff has reviewed FPL's projected capital expenditures in Exhibit B. The total amount requested by the Company (\$14.2 billion) exceeds its estimated capital expenditures of \$10.6 billion for calendar year 2026. The requested amount exceeding the estimated capital expenditures allows for financial flexibility with regard to unexpected events such as hurricanes, financial market disruptions, and other unforeseen circumstances. Staff believes the requested amounts are

Docket No. 20250100-EI

Date: September 25, 2025

reasonable and appropriate. Thus, staff recommends FPL's application for authority to issue and sell securities during calendar years 2026 and 2027 be approved.

For monitoring purposes, this docket should remain open until May 7, 2027, as to allow the Company time to file the required Consummation Report.

Item 1C

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: September 25, 2025

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Accounting and Finance (Souchik, D. Buys) *MC*
Office of the General Counsel (Farooqi, Imig) *SPS*

RE: Docket No. 20250101-GU - Application for authority to issue and sell securities for 12 months ending December 31, 2026, by Peoples Gas System, Inc.

AGENDA: 10/7/2025 - Consent Agenda - Final Action - Interested Persons May Participate

SPECIAL INSTRUCTIONS: None

Please place the following application for authority to issue and sell securities on the consent agenda for approval.

Docket No. 20250101-GU – *Application for authority to issue and sell securities for 12 months ending December 31, 2026, by Peoples Gas System, Inc.*

Peoples Gas System, Inc. (PGS or Company) requests authority to issue, sell, and or exchange equity securities and issue, sell, exchange and or assume long-term or short-term debt securities and/or to assume liabilities or obligations as guarantor, endorser, or surety during calendar year 2026. The Company also requests authority to enter into interest rate swaps or other derivative instruments related to debt securities during calendar year 2026.

The amount of all equity and long-term debt securities issued, sold, exchanged, or assumed liabilities and obligations assumed or guaranteed, as guarantor, endorser, or surety will not exceed the aggregate amount of \$400 million during 2026, including any amounts issued to retire existing long-term debt securities. The maximum amount of short-term debt outstanding at any one time will be \$500 million.

In its application, PGS confirms that the capital raised pursuant to this application will be used in connection with the regulated gas activities of the Company, and not the unregulated activities of the Company or its affiliates.

Staff has reviewed PGS's projected capital expenditures shown in Exhibit B of its application. PGS's estimated construction expenditures for 2026 are \$475 million. The total amount requested by the Company (\$900 million) exceeds its expected capital expenditures of \$475 million. The amount exceeding the estimated capital expenditures allows for financial flexibility

Docket No. 20250101-GU

Date: September 25, 2025

with regard to unexpected events such as hurricanes, financial market disruptions and other unforeseen circumstances. Thus, staff believes the requested amounts are reasonable and appropriate. Staff recommends PGS's application for authority to issue and sell securities during calendar year 2026 be approved.

For monitoring purposes, this docket should remain open until May 7, 2027, to allow the Company time to file the required Consummation Report.

Item 2

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: September 25, 2025

TO: Office of Commission Clerk (Teitzman)

FROM: Office of the General Counsel (Sapoznikoff) *SMC*
Division of Economics (Guffey) *EDD*
Office of Industry Development and Market Analysis (Hinton, Fogleman, Williams) *CH*

RE: Docket No. 20250097-TP – Proposed amendment of Rule 25-4.150, F.A.C., The Administrator; and Rule 25-4.160, F.A.C., Operation of Telecommunications Relay Service.

AGENDA: 10/07/25 – Regular Agenda – Rule Proposal – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Fay

RULE STATUS: Proposal May Be Deferred

CRITICAL DATES: 01/26/26 – Rule must be proposed by this date pursuant to Section 120.54(2)(a)2., F.S.

SPECIAL INSTRUCTIONS: None

Case Background

In 2025, the Legislature amended Sections 427.702 through 427.706, Florida Statutes (F.S.) relating to the Telecommunications Access System Act of 1991. *See* 2025-148, Laws of Florida. Among other things, these statutory changes require the Commission to set eligibility requirements for distribution of newly defined specialized communications technology and renumbered statutory sections referenced in Commission rule, necessitating amendment of the rules implementing these statutes, Rule 25-4.150, Florida Administrative Code (F.A.C.), The Administrator, and Rule 25-4.160, F.A.C., Operation of Telecommunications Relay Service.

The amendment of Section 427.703(1), F.S., updated the definition of “Administrator,” which entity is addressed in Rule 25-4.150, F.A.C. Section 427.703, F.S. was also amended to add new subsection (17), defining “specialized communications technology.” Additional amendments to Section 427.703, F.S., caused the renumbering of the statutory section that defines “local exchange telecommunications company,” which term is referenced in Rule 25-4.160, F.A.C.

Procedural Matters

In furtherance of the Legislature’s directive in Section 427.704(7), F.S., staff initiated rulemaking to amend Rules 25-4.150, and 25-4.160, F.A.C. The Commission’s Notice of Development of Rulemaking was published in Vol. 51, Number 147, of the Florida Administrative Register on July 30, 2025.

Staff received a request for rule workshop regarding the draft language of Rule 25-4.150, F.A.C., from Florida Telecommunications Relay, Inc. (FTRI), which is the “Administrator” as defined by statute and is referenced in that rule. FTRI submitted written comments in lieu of holding a workshop.

This recommendation addresses whether the Commission should propose the amendment of Rules 25-4.150 and 25-4.160, F.A.C. The Commission has jurisdiction pursuant to Section 120.54, 350.127(2), and 427.704(7), F.S.

Discussion of Issues

Issue 1: Should the Commission propose the amendment of Rule 25-4.150, F.A.C., The Administrator, and Rule 25-4.160, F.A.C., Operation of Telecommunications Relay Service?

Recommendation: Yes. The Commission should propose the amendment of Rules 25-4.150 and 25-4.160, F.A.C., as set forth in Attachment A. The Commission should also certify the rules as a minor violation rules. (Sapoznikoff, Hinton, Guffey)

Staff Analysis: The purpose of this rulemaking is to amend Rules 25-4.150 and 25-4.160, F.A.C., to implement statutory changes made during the 2025 legislative session. Staff recommends that the Commission propose the amendment of Rules 25-4.150 and 25-4.160, F.A.C., as set forth in Attachment A.

Rule 25-4.150, F.A.C., The Administrator

Overall, the recommended amendments to Rule 25-4.150, F.A.C., simplify and clarify the rule language to reference the revised definition of the “Administrator,” as amended by the statutory changes to Section 427.703(1), F.S., and to comply with Section 120.545(1)(c), F.S. The more substantial recommended amendment to the rule is the addition of new Subsection (5).

The recommended amendments add Subsection (5) to implement the addition of Section 427.704(e), F.S., which requires the Commission to “set eligibility requirements for the distribution of specialized communications technology.” The statute requires the eligibility requirements be based on income qualifications of no less than double, but no more than triple, the federal poverty level, or participation in other state or federal programs based on income.

Subsection (5) sets the eligibility threshold at 250 percent of the federal poverty level, which is within the lowest and highest allowable amounts set forth in the statute. Staff believes this level is most appropriate as it provides the intended accessibility, but also allows for future adjustment based on initial consumer interest and its impact on FTRI’s budget.

In addition, there are five federal programs that qualify consumers for Lifeline Assistance. The recommended rule language allows consumers who qualify for any of those programs to be eligible to receive the specialized communications technology.

Staff incorporated many of the written comments from FTRI into the recommended amendments of Rule 25-4.150, F.A.C. FTRI had wanted the Commission to set the eligibility threshold at the top of the statutory range, but has advised staff that it is satisfied with the recommended amendments which allow the Commission flexibility to assess how the income eligibility requirements affect demand for the newly available “specialized communications technology.”

Rule 25-4.160, F.A.C., Operation of Telecommunications Relay Service

Staff recommends deleting subsection (1) of this rule because the current rule language requires a discount for intrastate toll calls received from a telecommunications relay service (TRS) and doesn’t reflect current practice. TRS providers no longer charge for toll calls. As a result, the toll discount language contained in the rule is no longer necessary.

Minor Violation Rule Certification

Pursuant to Section 120.695, F.S., for each rule filed for adoption, the agency head shall certify whether any part of a rule is designated as a rule the violation of which would be a minor violation. Under Section 120.695(2)(b), F.S., a violation of a rule is minor if it does not result in economic or physical harm to a person or adversely affect the public health, safety, or welfare or create a significant threat of such harm. Rules 25-4.150 and 25-4.160, F.A.C., are both currently listed as minor violation rules, and staff recommends that both should remain listed as minor violation rules by the Commission. These rules are minor violation rules because the violation of either of them would not result in economic or physical harm to a person, cause an adverse effect on the public health, safety, or welfare, or create a significant threat of such harm. Therefore, for the purposes of filing the rules for adoption with the Department of State, staff recommends that the Commission certify Rules 25-4.150 and 25-4.160, F.A.C., as minor violation rules.

Statement of Estimated Regulatory Costs

Section 120.54(3)(b)1., F.S., encourages agencies to prepare a Statement of Estimated Regulatory Costs (SERC) before the adoption, amendment, or repeal of any rule. A SERC was prepared for each rule in this rulemaking and they are appended as Attachment B. As required by Section 120.541(2)(a)1., F.S., the SERC analysis includes whether the rules are individually likely to have an adverse impact on economic growth, private sector job creation or employment, or private sector investment in excess of \$1 million in the aggregate within five years after implementation.

The SERCs conclude that neither rule will likely directly or indirectly increase regulatory costs in excess of \$200,000 in the aggregate in Florida within one year after implementation. Further, the SERC concludes that the rule amendments 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. Thus, pursuant to Section 120.541(3), F.S., neither rule requires legislative ratification.

In addition, the SERCs indicate that the rules would have no adverse impact on small businesses, would have no implementation or enforcement costs on the Commission or any other state or local government entity, and would have no impact on small cities or small counties. The SERCs state that there will be no transactional costs likely to be incurred by individuals and entities required to comply with the requirements. None of the impact/cost criteria established in Section 120.541(2)(a), F.S., will be exceeded as a result of either rule. Finally, the SERCs indicate that there are no market impacts likely to result from compliance with the proposed rule.

Conclusion

Based on the foregoing, staff recommends that the Commission should propose the amendment of Rules 25-4.150 and 25-4.160, F.A.C., as set forth in Attachment A. Staff also recommends the Commission certify the rules as minor violation rules.

Issue 2: Should the docket be closed?

Recommendation: Yes. If no requests for hearing are made or comments from the Joint Administrative Procedures Committee (JAPC) are filed, and no proposals for lower cost regulatory alternatives are submitted pursuant to Section 120.541(1)(a), F.S., the rules should be filed for adoption with the Department of State, and the docket should be closed. (Sapoznikoff)

Staff Analysis: If no request for hearing is made or comments from JAPC are filed, and no proposals for a lower cost regulatory alternatives are submitted pursuant to Section 120.541(1)(a), F.S., the rules should be filed for adoption with the Department of State, and the docket should be closed.

1 **25-4.150 The Administrator.**

2 (1) The Administrator is defined by Section 427.703(1), F.S. ~~a corporation not for profit~~
 3 ~~incorporated pursuant to the provisions of Chapter 617, F.S., and designated by the Florida~~
 4 ~~Public Service Commission to administer the telecommunications relay service system and the~~
 5 ~~distribution of specialized telecommunications devices pursuant to the provisions of Part II of~~
 6 ~~Chapter 427, F.S., and rules and regulations adopted by the Commission.~~

7 (2) For the purposes of implementing Section 427.704(2), F.S., ~~Part II of Chapter 427,~~
 8 ~~F.S., the Commission designates~~ Florida Telecommunications Relay, Inc. ~~is designated~~ as the
 9 Administrator, ~~identified in Section 427.704(2), F.S.~~ The Administrator's offices are located at
 10 1820 East Park Avenue, Suite 101, Tallahassee, FL 32301, telephone number 1(800)222-
 11 3448.

12 (3) The Administrator will be responsible for receiving and distributing funds from the
 13 operating fund. The Administrator will expend no funds from the operating fund to be used to
 14 pay for the cost of the Advisory Committee. The Administrator will expend no funds from the
 15 operating fund to be used to pay for entertainment.

16 (4) The Administrator shall remit payment from available operating funds for all bills
 17 rendered by the Provider of relay services within 15 days of receipt. If the Administrator
 18 challenges the accuracy of a bill, payment may be withheld only for the challenged portion of
 19 the bill and the Administrator shall present to the Commission any unresolved billing issues
 20 within 30 days of the bill's original due date.

21 (5) The Administrator shall verify customer eligibility for the distribution of specialized
 22 communications technology as defined in Section 427.703(17), F.S. To be eligible to receive
 23 specialized communications technology, the customer must show proof of income less than
 24 250 percent of the federal poverty level, or participation in the Supplemental Nutrition
 25 Assistance Program, Medicaid, Supplemental Security Income, or Section 8 Housing Choice

CODING: Words underlined are additions; words in ~~struck through~~ type are deletions
 from existing law.

1 Voucher Program, or who receive either a Veterans Pension or Survivors Pension from the
2 Department of Veterans Affairs.

3 *Rulemaking Authority 427.704(7)~~(8)~~ FS. Law Implemented 427.703(1)~~(8)~~, 427.705~~(4)~~ FS.*
4 *History—New 2-25-92, Amended 9-16-92, _____.*

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CODING: Words underlined are additions; words in ~~struck through~~ type are deletions
from existing law.

1 **25-4.160 Operation of Telecommunications Relay Service.**

2 ~~(1) For intrastate toll calls received from the relay service, each local exchange and~~
3 ~~interexchange telecommunications company billing relay calls shall discount relay service~~
4 ~~calls by 50 percent off of the otherwise applicable rate for a voice nonrelay call except that~~
5 ~~where either the calling or called party indicates that either party is both deaf or hard of~~
6 ~~hearing and visually impaired, the call shall be discounted 60 percent off of the otherwise~~
7 ~~applicable rate for a voice nonrelay call. The above discounts apply only to time sensitive~~
8 ~~elements of a charge for the call and shall not apply to per call charges such as a credit card~~
9 ~~surcharge. In the case of a tariff which includes either a discount based on number of minutes~~
10 ~~or the purchase of minutes in blocks, the discount shall be calculated by discounting the~~
11 ~~minutes of relay use before the tariffed rate is applied.~~

12 (1)(2) When a local exchange telecommunications company passes a call to the Florida
13 relay service provider, it shall also forward the calling party's originating telephone number if
14 the calling party's central office has that capability.

15 (2)(3) To fund the telecommunications access system established under ~~Part II~~ of Chapter
16 427, F.S., all local exchange telecommunications companies shall impose a monthly surcharge
17 on all local exchange telecommunications company subscribers, excluding federal, state, and
18 county agencies, on an individual access line basis, except that such surcharge shall not be
19 imposed upon more than 25 basic telecommunications access lines per account bill rendered.

20 (a) A local exchange telecommunications company shall consider an account bill rendered
21 in a manner consistent with its billing practices for other telecommunications services.

22 (b) Except as otherwise provided by law, the surcharge billed by the local exchange
23 telecommunications companies is not subject to any sales, use, franchise, income, municipal
24 utility, gross receipts, or any other tax, fee, or assessment, nor shall it be considered revenue of
25 the local exchange telecommunications companies for any purpose.

CODING: Words underlined are additions; words in ~~struck through~~ type are deletions
from existing law.

1 (c) All local exchange telecommunications companies shall include the surcharge as a part
2 of the local service charge that appears on the customer's bill except that the surcharge may be
3 itemized if a company monthly itemizes all local service charges. However, the local
4 exchange telecommunications company shall itemize the surcharge on the initial bill to the
5 subscriber and itemize it at least once annually. The local exchange telecommunications
6 company may deduct and retain 1 percent of the total surcharge amount collected each month
7 to recover the billing, collecting, remitting, and administrative costs attributed to the
8 surcharge. All moneys received by the local exchange telecommunications company, less the
9 authorized amount retained, shall be submitted so as to be received by the Administrator
10 within fifteen days after the end of the previous month. Each local exchange
11 telecommunications company shall follow the same procedures for collecting this surcharge as
12 for collecting for other regulated telecommunications services.

13 ~~(3)(4)~~ For purposes of this part, the term "local exchange telecommunications company"
14 shall be defined in Section 427.703~~(12)(7)~~, F.S. The term shall include shared tenant service
15 providers and competitive local exchange companies.

16 *Rulemaking Authority 350.127(2), 427.704~~(7)(8)~~ FS. Law Implemented 427.704(4),(5) FS.*
17 *History—New 9-16-92, Amended 4-8-98, 5-22-12.*
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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: September 15, 2025

TO: Susan Sapoznikoff, Senior Attorney, Office of the General Counsel

FROM: Sevini K. Guffey, Public Utility Analyst IV, Division of Economics *SKg*

RE: Statement of Estimated Regulatory Costs (SERC) for Proposed Adoption of Amended Rule 25-4.150, Florida Administrative Code (F.A.C.), Administrator and Rule 25-4.160, F.A.C., Operation of Telecommunications Relay Service.

The purpose of this rulemaking is to propose amendments to Rules 25-4.150 and 25-4.160, F.A.C., to implement Section 427, Florida Statutes (F.S.), which was revised during the 2025 Florida legislative session. The legislature approved Chapter 2025-148, Laws of Florida, relating to the Telecommunications Access System Act of 1991 (TASA).

Amended Rule 25-4.150, F.A.C., revises the responsibilities of the Administrator to manage the distribution of specialized communications technology.

Rule 25-4.160, F.A.C., is amended to delete Paragraph (1) because telecommunications relay service intrastate toll call discount language is no longer necessary due to a 2020 Federal Communications Commission report and order.

In summary, the above referenced two rules will remove obsolete rule language, update references to the definition of “local exchange company” and “administrator”, and set customer eligibility requirements to receive specialized communications technology through TASA, as amended by Chapter 2025-148, Laws of Florida.

The attached SERC addresses the economic considerations required pursuant to Section 120.541, F.S. The number of entities for which the rule is applicable is Florida Telecommunications Relay, Inc. (FTRI, a not-for-profit corporation) which is the Commission designated Administrator and distributor of telecommunications devices for persons with hearing loss, speech impairments, or who are deafblind. The proposed amended rules, reflecting the statutory revisions, would not result in negative fiscal impacts to the telecommunications utilities, as discussed in the attached SERC. A request for a rule development workshop and written comments were submitted on August 11, 2025 by FTRI. The written comments were accepted in lieu of a workshop. No regulatory alternatives were submitted pursuant to Section 120.541(1)(a), F.S. by any affected entity. None of the impacts/cost criteria established in Section 120.541(2)(a)-(e), F.S., will be exceeded as a result of the proposed revised rule.

cc: SERC file

FLORIDA PUBLIC SERVICE COMMISSION
STATEMENT OF ESTIMATED REGULATORY COSTS
Rule 25-4.150, F.A.C., The Administrator

1. Will the proposed rule have an adverse impact on small business? [120.541(1)(b), F.S.]
(See Section E. below for definition of small business.)

Yes ☐

No ☒

If the answer to Question 1 is “yes,” see comments in Section E.

2. Is the proposed rule likely to directly or indirectly increase regulatory costs in excess of \$200,000 in the aggregate in this state within 1 year after implementation of the rule? [120.541(1)(b), F.S.]

Yes ☐

No ☒

If the answer to either question above is “yes,” a Statement of Estimated Regulatory Costs (SERC) must be prepared. The SERC shall include an economic analysis showing:

A. Whether the rule directly or indirectly:

- (1) Is likely to have an adverse impact on any of the following in excess of \$1 million in the aggregate within 5 years after implementation of the rule? [120.541(2)(a)1, F.S.]

Economic growth

Yes ☐ No ☒

Private-sector job creation or employment

Yes ☐ No ☒

Private-sector investment

Yes ☐ No ☒

- (2) Is likely to have an adverse impact on any of the following in excess of \$1 million in the aggregate within 5 years after implementation of the rule? [120.541(2)(a)2, F.S.]

Business competitiveness (including the ability of persons doing business in the state to compete with persons doing business in other states or domestic markets)

Yes ☐ No ☒

Productivity

Yes ☐ No ☒

Innovation

Yes ☐ No ☒

(3) Is likely to increase regulatory costs, including any transactional costs, in excess of \$1 million in the aggregate within 5 years after the implementation of the rule? [120.541(2)(a)3, F.S.]

Yes ☐ No ☒

Economic Analysis: NA

B. A good faith estimate of: [120.541(2)(b), F.S.]

(1) The number of individuals and entities likely to be required to comply with the rule.

The entity required to comply with these rules is the Florida Telecommunications Relay, Inc., which is the Commission designated, not-for-profit administrator of the telecommunications relay service system and the distributor of specialized telecommunications devices.

(2) A general description of the types of individuals likely to be affected by the rule.

Types of individuals likely to be affected by these rules are the qualifying customers who are eligible to receive specialized communications devices.

C. A good faith estimate of: [120.541(2)(c), F.S.]

(1) The cost to the agency to implement and enforce the rule.

☒ None. To be done with the current workload and existing staff.

☐ Minimal. Provide a brief explanation.

☐ Other. Provide an explanation for estimate and methodology used.

(2) The cost to any other state and local government entity to implement and enforce the rule.

☒ None. The rule will only affect the agency.

☐ Minimal. Provide a brief explanation.

☐ Other. Provide an explanation for estimate and methodology used.

(3) Any anticipated effect on state or local revenues.

☒ None.

☐ Minimal. Provide a brief explanation.

☐ Other. Provide an explanation for estimate and methodology used.

D. A good faith estimate of the transactional costs likely to be incurred by individuals and entities (including local government entities) required to comply with the requirements of the rule. "Transactional costs" may include the following: filing fees; expenses to obtain a license; necessary equipment; installation, utilities for, and maintenance of necessary equipment; necessary operations or procedures; accounting, financial, information management, and other administrative processes; labor, based on relevant wages, salaries, and benefits; materials and supplies; capital expenditures, including financing costs; professional and technical services, including contracted services necessary to implement and maintain compliance; monitoring and reporting; qualifying and recurring education, training, and testing; travel; insurance and surety requirements; a fair and reasonable allocation of administrative costs and other overhead; reduced sales or other revenue; or other items suggested by the rules ombudsman in the Executive Office of the Governor or by any interested person, business organization, or business representative. [120.541(2)(d), F.S.]

☐ None. The rule will only affect the agency.

☒ Minimal. Provide a brief explanation. The revised rule 25-4.150 F.A.C., references Section 427.703(1) F.S. which defines the responsibilities of the Administrator.

☐ Other. Provide an explanation for estimate and methodology used.

E. An analysis of the impact on small businesses, small counties, and small cities: [120.541(2)(e), F.S.]

(1) "Small business" is defined by Section 288.703, F.S., as an independently owned and operated business concern that employs 200 or fewer permanent full-time employees and that, together with its affiliates, has a net worth of not more than \$5 million or any firm based in this state which has a Small Business Administration 8(a) certification. As to sole proprietorships, the \$5 million net worth requirement shall include both personal and business investments.

☒ No adverse impact on small business.

☐ Minimal. Provide a brief explanation.

☐ Other. Provide an explanation for estimate and methodology used.

(2) A "Small City" is defined by Section 120.52, F.S., as any municipality that has an unincarcerated population of 10,000 or less according to the most recent decennial census. A "small county" is defined by Section 120.52, F.S., as any county that has an unincarcerated population of 75,000 or less according to the most recent decennial census.

☒ No impact on small cities or small counties.

☐ Minimal. Provide a brief explanation.

☐ Other. Provide an explanation for estimate and methodology used.

F. In evaluating the impacts described in paragraphs A and E, include a discussion, if applicable, of the market impacts likely to result from compliance with the proposed rule, including: [120.541(2)(f), F.S.]

1. Changes to customer charges for goods or services.
2. Changes to the market value of goods and services produced, provided, or sold.
3. Changes to costs resulting from the purchase of substitute or alternative goods or services.
4. The reasonable value of time to be spent by owners, officers, operators, and managers to understand and comply with the proposed rule, including, but not limited to, time to be spent completing required education, training, or testing.

Discussion and Analysis of Market Impacts: Qualifying persons with hearing loss, speech impairments, or who are deafblind, will be able to receive specialized communications technology/equipment and devices which will enhance their quality of life. The customer must show proof of income less than 250 percent of the federal poverty level, or proof of participation in the Supplemental Nutrition Assistance Program, Medicaid, Supplemental Security Income, or Section 8 Housing Choice Voucher Program, or receive either a Veterans Pension or Survivors Pension from the Department of Veterans Affairs

G. Any additional information that the agency determines may be useful. [120.541(2)(g), F.S.]

☒ None.

Additional Information:

H. A description of any regulatory alternatives submitted and a statement adopting the alternative or a statement of the reasons for rejecting the alternative in favor of the proposed rule. [120.541(2)(h), F.S.]

- ☒ No regulatory alternatives were submitted.
- ☐ A regulatory alternative was received from
- ☐ Adopted in its entirety.
- ☐ Rejected. Describe what alternative was rejected and provide a statement of the reason for rejecting that alternative.

FLORIDA PUBLIC SERVICE COMMISSION
STATEMENT OF ESTIMATED REGULATORY COSTS
Rule 25-4.160, F.A.C., Operation of Telecommunications Relay Service

1. Will the proposed rule have an adverse impact on small business? [120.541(1)(b), F.S.]
(See Section E. below for definition of small business.)

Yes ☐

No ☒

If the answer to Question 1 is “yes,” see comments in Section E.

2. Is the proposed rule likely to directly or indirectly increase regulatory costs in excess of \$200,000 in the aggregate in this state within 1 year after implementation of the rule? [120.541(1)(b), F.S.]

Yes ☐

No ☒

If the answer to either question above is “yes,” a Statement of Estimated Regulatory Costs (SERC) must be prepared. The SERC shall include an economic analysis showing:

A. Whether the rule directly or indirectly:

- (1) Is likely to have an adverse impact on any of the following in excess of \$1 million in the aggregate within 5 years after implementation of the rule? [120.541(2)(a)1, F.S.]

Economic growth

Yes ☐ No ☒

Private-sector job creation or employment

Yes ☐ No ☒

Private-sector investment

Yes ☐ No ☒

- (2) Is likely to have an adverse impact on any of the following in excess of \$1 million in the aggregate within 5 years after implementation of the rule? [120.541(2)(a)2, F.S.]

Business competitiveness (including the ability of persons doing business in the state to compete with persons doing business in other states or domestic markets)

Yes ☐ No ☒

Productivity

Yes ☐ No ☒

Innovation

Yes ☐ No ☒

(3) Is likely to increase regulatory costs, including any transactional costs, in excess of \$1 million in the aggregate within 5 years after the implementation of the rule? [120.541(2)(a)3, F.S.]

Yes ☐ No ☒

Economic Analysis: NA

B. A good faith estimate of: [120.541(2)(b), F.S.]

(1) The number of individuals and entities likely to be required to comply with the rule.

The entity required to comply with these rules is the Florida Telecommunications Relay, Inc., which is the Commission designated, not-for-profit administrator of the telecommunications relay service system and the distributor of specialized telecommunications devices.

(2) A general description of the types of individuals likely to be affected by the rule.

Types of individuals likely to be affected by these rules are the qualifying customers who are eligible to receive specialized communications devices.

C. A good faith estimate of: [120.541(2)(c), F.S.]

(1) The cost to the agency to implement and enforce the rule.

☒ None. To be done with the current workload and existing staff.

☐ Minimal. Provide a brief explanation.

☐ Other. Provide an explanation for estimate and methodology used.

(2) The cost to any other state and local government entity to implement and enforce the rule.

☒ None. The rule will only affect the agency.

☐ Minimal. Provide a brief explanation.

☐ Other. Provide an explanation for estimate and methodology used.

(3) Any anticipated effect on state or local revenues.

☒ None.

☐ Minimal. Provide a brief explanation.

☐ Other. Provide an explanation for estimate and methodology used.

D. A good faith estimate of the transactional costs likely to be incurred by individuals and entities (including local government entities) required to comply with the requirements of the rule. "Transactional costs" may include the following: filing fees; expenses to obtain a license; necessary equipment; installation, utilities for, and maintenance of necessary equipment; necessary operations or procedures; accounting, financial, information management, and other administrative processes; labor, based on relevant wages, salaries, and benefits; materials and supplies; capital expenditures, including financing costs; professional and technical services, including contracted services necessary to implement and maintain compliance; monitoring and reporting; qualifying and recurring education, training, and testing; travel; insurance and surety requirements; a fair and reasonable allocation of administrative costs and other overhead; reduced sales or other revenue; or other items suggested by the rules ombudsman in the Executive Office of the Governor or by any interested person, business organization, or business representative. [120.541(2)(d), F.S.]

☒ None. The rule will only affect the agency.

☐ Minimal. Provide a brief explanation.

☐ Other. Provide an explanation for estimate and methodology used.

E. An analysis of the impact on small businesses, small counties, and small cities: [120.541(2)(e), F.S.]

(1) "Small business" is defined by Section 288.703, F.S., as an independently owned and operated business concern that employs 200 or fewer permanent full-time employees and that, together with its affiliates, has a net worth of not more than \$5 million or any firm based in this state which has a Small Business Administration 8(a) certification. As to sole proprietorships, the \$5 million net worth requirement shall include both personal and business investments.

☒ No adverse impact on small business.

☐ Minimal. Provide a brief explanation.

☐ Other. Provide an explanation for estimate and methodology used.

(2) A "Small City" is defined by Section 120.52, F.S., as any municipality that has an unincarcerated population of 10,000 or less according to the most recent decennial census. A "small county" is defined by Section 120.52, F.S., as any county that has an unincarcerated population of 75,000 or less according to the most recent decennial census.

☒ No impact on small cities or small counties.

☐ Minimal. Provide a brief explanation.

☐ Other. Provide an explanation for estimate and methodology used.

F. In evaluating the impacts described in paragraphs A and E, include a discussion, if applicable, of the market impacts likely to result from compliance with the proposed rule, including: [120.541(2)(f), F.S.]

1. Changes to customer charges for goods or services.
2. Changes to the market value of goods and services produced, provided, or sold.
3. Changes to costs resulting from the purchase of substitute or alternative goods or services.
4. The reasonable value of time to be spent by owners, officers, operators, and managers to understand and comply with the proposed rule, including, but not limited to, time to be spent completing required education, training, or testing.

Discussion and Analysis of Market Impacts: NA

G. Any additional information that the agency determines may be useful. [120.541(2)(g), F.S.]

☒ None.

Additional Information:

H. A description of any regulatory alternatives submitted and a statement adopting the alternative or a statement of the reasons for rejecting the alternative in favor of the proposed rule. [120.541(2)(h), F.S.]

☒ No regulatory alternatives were submitted.

☐ A regulatory alternative was received from

☐ Adopted in its entirety.

☐ Rejected. Describe what alternative was rejected and provide a statement of the reason for rejecting that alternative.

Item 3

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: September 25, 2025

TO: Office of Commission Clerk (Teitzman)

FROM: Office of the General Counsel (Marquez, Farooqi) *SPS*
Division of Economics (Sibley) *EJD*
Office of Auditing and Performance Analysis (Mouring, Deamer) *CM*

RE: Docket No. 20250092-WS – Application for staff-assisted rate case in Putnam County, by St. Johns River Estates Utilities, LLC.

AGENDA: 10/07/25 – Regular Agenda – Participation at Discretion of Commission

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Fay

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

St. Johns River Estates Utilities, LLC (St. Johns or Utility) is a Class C water and wastewater utility serving approximately 100 customers in Putnam County, Florida. The Utility's service territory is located in the St. Johns River Water Management District. The Utility received Certificate Nos. 542-W and 470-S in 2020 after a system transfer.¹ The Florida Public Service Commission (Commission) last set the rates for this Utility's systems in a staff-assisted rate case (SARC) in 2000.² St. Johns applied for a SARC in Docket No. 20230131-WS, however, the

¹ Order No. PSC-2020-0454-PAA-WS, issued November 23, 2020, in Docket No. 20180214-WS, *In re: Application to transfer facilities and Certificate Nos. 542-W and 470-S in Putnam County from St. John's River Club Utility Company, LLC to St. Johns River Estates Utilities, LLC.*

² Order No. PSC-00-2500-PAA-WS, issued December 26, 2000, in Docket No. 20000327-WS, *In re: Application for staff-assisted rate case in Putnam County by Buffalo Bluff Utilities, Inc.*

application was denied after official acceptance because the Utility did not pay the filing fee on time.³ The Utility re-applied on January 30, 2024, but the SARC was ultimately denied because St. Johns had not submitted its latest Annual Report and had not paid its regulatory assessment fees.⁴

On July 14, 2025, St. Johns again filed an application for SARC pursuant to Section 367.0814, Florida Statutes (F.S.), and Rule 25-30.455, Florida Administrative Code (F.A.C.).⁵ Once an application is filed, staff has 30 days to either accept or deny the application after making an eligibility and application sufficiency determination pursuant to Sections 367.083 and 367.0814(1), F.S., and Rule 25-30.455(1), (4)–(5), F.A.C. Staff found St. Johns ineligible for a SARC and issued a Denial Letter on August 13, 2025, which was the 30th day.⁶

On August 28, 2025, St. Johns filed a Motion for Reconsideration.⁷ The Utility alleges its employee was out on medical leave for four weeks but was now getting caught up. The Utility further alleges that it is “now ready and able to engage [Commission] staff to complete this request.”

This recommendation addresses St. Johns’ Motion for Reconsideration. The Commission has jurisdiction over this matter pursuant to Chapter 367, including Section 367.0814, F.S.

³ Document No. 00363-2024, filed on January 29, 2024, in Docket No. 20230131-WS.

⁴ Order No. PSC-2024-0455-FOF-WS, issued October 18, 2024, in Docket No. 20230131-WS, *In re: Application for staff-assisted rate case in Putnam County, by St. Johns River Estates Utilities, LLC*.

⁵ Document No. 05657-2025, filed on July 14, 2025, in Docket No. 20250092-WS.

⁶ Document No. 07881-2025, filed on August 13, 2025, in Docket No. 20250092-WS.

⁷ Document No. 08519-2025, filed on August 28, 2025, in Docket No. 20250092-WS.

Discussion of Issues

Issue 1: Should the Commission grant St. Johns' Motion for Reconsideration?

Recommendation: No. Staff recommends that the Commission deny St. Johns' Motion for Reconsideration because St. Johns has failed to raise a point of fact or law that staff overlooked or failed to consider in issuing the Denial Letter. (Marquez)

Staff Analysis:

Law

Section 367.083, F.S., provides that “[w]ithin 30 days after receipt of an application . . . for which an official date of filing is to be established, the [C]ommission *or its designee shall* either” accept or reject the application.⁸ Additionally, pursuant to Section 367.0814(1), F.S., the Commission “may establish rules by which a water or wastewater utility . . . may request staff assistance for the purpose of changing its rates and charges.” The Commission has exercised the discretion afforded to it by Sections 367.083 and 367.0814, F.S., in promulgating Rule 25-30.455, F.A.C., to grant staff administrative authority to accept or deny SARC applications. This Rule contemplates denials on the bases of eligibility or application deficiency. Subsection (8) of the Rule permits an applicant to seek reconsideration of any such denials before the full Commission.

Thus, staff submits that in this circumstance the appropriate standard of review for reconsideration would be the same as that of a Commission order—whether the motion identifies a point of fact or law that was overlooked or that was failed to be considered in rendering the decision under review. *See e.g., Stewart Bonded Warehouse, Inc. v. Bevis*, 294 So. 2d 315 (Fla. 1974); *Diamond Cab Co. v. King*, 146 So. 2d 889 (Fla. 1962); *Pingree v. Quaintance*, 394 So. 2d 162 (Fla. 1st DCA 1981). It is not appropriate to reargue matters that have already been considered. *Sherwood v. State*, 111 So. 2d 96 (Fla. 3d DCA 1959); *citing State ex. rel. Jaytex Realty Co. v. Green*, 105 So. 2d 817 (Fla. 1st DCA 1958). Furthermore, a motion for reconsideration should not be granted “based upon an arbitrary feeling that a mistake may have been made, but should be based upon specific factual matters set forth in the record and susceptible to review.” *Stewart Bonded Warehouse, Inc.*, 294 So. 2d at 317.

St. Johns' Motion for Reconsideration

In its Motion for Reconsideration, St. Johns states that its employee was out on medical leave for four weeks but was now getting caught up. The Utility further alleged that it was “now ready and able to engage [Commission] staff to complete this request.”

Analysis

Eligibility requirements for a SARC are reflected in Rule 25-30.455(1), (4)(c), F.A.C. Specifically, an applicant must (1) have total gross annual operating revenues no more than

⁸ (emphasis added).

\$335,000 for water service or wastewater service (or \$670,000 on a combined basis); (2) have at least one year of experience operating the utility for which the rate increase is sought; (3) be in compliance with annual report filings pursuant to Rule 25-30.110(3)–(5), F.A.C.; (4) be up-to-date with all regulatory assessment fee payments or on an approved payment plan; and (5) allow for preliminary examination of the condition of the utility’s books and records. At issue here was the final prong of the eligibility analysis.

Staff made multiple attempts to reach St. Johns using a mixture of phone calls, voicemail messages, and e-mails in order to verify the condition of the Utility’s books and records. Staff called the Utility on July 22nd, July 23rd, July 25th, and August 5th. Staff left voicemail messages introducing themselves and explaining the reason for the calls on more than one occasion. In addition, staff e-mailed St. Johns for the purpose of obtaining the necessary information on July 23rd, twice on July 30th, and on August 8th. All contact attempts were made using the phone number and e-mail address on file with the Commission and provided in the application filing. However, the Utility was unresponsive. Staff was therefore unable to determine the current condition of St. Johns’ books and records. Staff also noted that when St. Johns was last audited in Docket No. 20230131-WS, auditing staff determined the Utility’s books and records were not in accordance with the National Association of Regulatory Utility Commissioners’ Uniform System of Accounts. Because of these circumstances, staff found St. Johns ineligible for a SARC and issued a Denial Letter on August 13, 2025 (which was the last day a decision could be made).⁹

In its Motion for Reconsideration, St. Johns does not allege any point of fact or law that was overlooked or that was failed to be considered in issuing the Denial Letter. The Utility states that its employee was out on medical leave for four weeks but was now getting caught up. At best, the Utility seeks to put forward new information not previously provided to staff in order to explain the lack of communication. However, this merely confirms the Utility’s own unresponsiveness during the time in question. The Denial Letter was not premised upon a mistaken belief that the unresponsiveness was intentional rather than unintentional. The Commission was required to either accept or deny the application by August 13, 2025, pursuant to Rule 25-30.455(4)(a), F.A.C. In addition, even if one estimates that the employee was out on medical leave for the four weeks prior to filing the Motion for Reconsideration, this would still suggest that the Utility received four of staff’s attempted communications during the week of July 21st but still did not respond.

St. Johns further asserts that it is “now ready and able to engage your staff to complete this request.” Upon receiving St. Johns’ Motion for Reconsideration on August 28th, staff e-mailed the Utility asking if it was available to discuss that afternoon. The Utility did not respond. On September 8th, staff left the Utility a voicemail message requesting to set up a time to discuss its motion and application for SARC. The Utility did not respond. On September 23rd, the Utility e-mailed and asked if the SARC could move forward. Staff replied by e-mail that the SARC could not proceed at this time and that the Motion for Reconsideration would be addressed by the Commission on October 7th. Staff also suggested in its reply e-mail that a call to discuss could be set up if St. Johns was interested. However, as of the date of this recommendation, the Utility

⁹ Document No. 07881-2025, filed on August 13, 2025, in Docket No. 20250092-WS.

has still not contacted auditing staff (whose contact information was provided numerous times) despite its assertion that it was “now ready and able to engage your staff to complete this request.” Thus, the same periodic unresponsiveness and lack of information continues.

Therefore staff believes that the Utility has failed to raise a point of fact or law that was overlooked or that was failed to be considered before issuing the Denial Letter, particularly when St. Johns was provided the maximum amount of time to respond permitted by statute. Staff believes it appropriately denied the application given these circumstances. As explained in the Denial Letter, when St. Johns is ready and able to engage staff in regular, timely, and ongoing communication, it may file a new application for a SARC.

Conclusion

Staff recommends denying St. Johns’ Motion for Reconsideration under the Commission’s traditional standard of review as the Utility has failed to raise a point of fact or law that was overlooked or not considered in issuing the Denial Letter.

Issue 2: Should this docket be closed?

Recommendation: Yes. This docket should be closed upon the issuance of a Final Order.
(Marquez, Farooqi)

Staff Analysis: Having denied St. Johns' Motion for Reconsideration, there are no remaining matters in this docket that the Commission must address. Therefore, this docket should be closed upon the issuance of a Final Order.

Item 4

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: September 25, 2025

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Economics (Guffey, Nguyen, Ward) *JD*
Office of the General Counsel (Thompson) *JSC*

RE: Docket No. 20250113-EI – Petition for a limited proceeding to approve large load tariff, by Duke Energy Florida, LLC.

AGENDA: 10/07/25 – Regular Agenda – Tariff Suspension – Participation is at the Commission's Discretion

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 11/05/25 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

Case Background

On September 5, 2025, Duke Energy Florida, LLC (DEF or utility) filed a petition for a limited proceeding to approve a new Large Load Customer (LLC-1) rate schedule, Large Load Customer Policy (LLCP), Large Load Customer Agreement (LLCA), and revised Contribution in Aid of Construction (CIAC) tariff. DEF's petition and testimony assert that these proposed tariffs are needed for the utility to be responsive to recent trends in nationwide growth and demand for service by large load customers such as data centers and asserts that the proposed new provisions will provide protections to DEF's existing and future customers.

Specifically, DEF proposed a new customer class and an optional rate schedule LLC-1, applicable to large load customers with a billing demand of 1,000 kilowatts (kW) or more and requesting transmission level service. The proposed rates contained in the LLC-1 were derived

from DEF's most recent 2025 cost of service study approved as part of its 2024 rate case settlement.¹

Additionally, all large load customers with a peak contract demand forecast to be equal or greater than a monthly maximum demand of 100,000 kW of firm load would be subject to the proposed LLCP and must execute an LLCA.

The LLCP and associated LLCA establish a minimum contract term, minimum monthly bill provisions, security requirements, and early termination provisions. Customers subject to the LLCP must also pay a non-refundable system impact fee. Finally, the LLCP contains a CIAC provision allowing DEF at its discretion depending on the nature of the load to require customers to pay up to 100 percent of the total estimated costs to extend service in advance. DEF requests that the proposed tariffs become effective in January 2028.

This is staff's recommendation to suspend the proposed tariffs. The Commission has jurisdiction over this matter pursuant to Sections 366.04, 366.05, and 366.06, Florida Statutes (F.S.).

¹ Order No. PSC-2024-0472-AS-EI, issued November 12, 2024, in Docket No. 20240025-EI, *In re: Petition for rate increase by Duke Energy Florida, LLC*.

Discussion of Issues

Issue 1: Should the Commission suspend DEF's proposed request for approval of its new Large Load Customer (LLC-1) rate schedule, Large Load Customer Policy (LLCP), Large Load Customer Agreement (LLCA), and revised Contribution in Aid of Construction (CIAC) tariff?

Recommendation: Yes. Staff recommends that DEF's proposed request for approval of its new LLC-1 rate schedule, LLCP, LLCA, and revised CIAC tariff be suspended to allow staff sufficient time to review the petition and gather all pertinent information in order to present the Commission with an informed recommendation on the proposed tariff modifications. (Guffey, Ward, Nguyen)

Staff Analysis: Staff recommends that DEF's proposed request for approval of its new LLC-1 rate schedule, LLCP, LLCA, and revised CIAC tariff be suspended to allow staff sufficient time to review the petition and gather all pertinent information in order to present the Commission with an informed recommendation on the proposed tariff modifications.

Pursuant to Section 366.06(3), F.S., the Commission may withhold consent to the operation of all or any portion of the new rate schedules, delivering to the utility requesting such a change, a reason, or written statement of a good cause for doing so within 60 days. Staff believes that the reason stated above is a good cause consistent with the requirement of Section 366.06(3), F.S.

Issue 2: Should this docket be closed?

Recommendation: No. This docket should remain open pending the Commission decision on DEF's proposed request for approval of its new LLC-1 rate schedule, LLCP, LLCA, and revised CIAC tariff. (Thompson)

Staff Analysis: This docket should remain open pending the Commission decision on DEF's proposed request for approval of its new LLC-1 rate schedule, LLCP, LLCA, and revised CIAC tariff.

Item 5

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: September 25, 2025

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Economics (Pope, Barrett) *EJD*
Division of Accounting and Finance (Gatlin, Vogel) *MAC*
Office of the General Counsel (Thompson, Crawford) *JSC*

RE: Docket No. 20250057-GU – Petition for approval of tariff modification for equipment financing, by Florida Public Utilities Company.

AGENDA: 10/07/25 – Regular Agenda – Tariff Filing – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 12/04/25 (8-Month Effective Date)

SPECIAL INSTRUCTIONS: None

Case Background

On April 4, 2025, Florida Public Utilities Company - Gas (FPUC or the Company) filed a petition for approval of a tariff modification (petition) seeking Commission approval of a tariff modification to offer term financing to customers for gas conversion, compression, or renewable natural gas (RNG) equipment and appliances owned and maintained by the customer. The filing includes First Revised Tariff Sheet 6.153 and Original Tariff Sheet 6.154.

In its petition, FPUC stated that the proposed modification has two primary purposes: (1) to assist customers in converting to natural gas by making upfront equipment costs more affordable, especially where those costs might otherwise be prohibitive, and (2) to maintain tariff consistency by aligning FPUC's tariff with Florida City Gas (FCG), which has implemented

similar provisions.¹ The Company clarified that the program would initially focus on residential water heaters, but is broad enough to cover other gas conversion, compression, and RNG equipment in the future.² FPUC further explained that financing charges would appear as a separate line item on customer bills, that all expenses and revenues would be treated “above the line,”³ and that participation would be limited to property owners. For all finance program participants, the Company intends to place a UCC-1 lien⁴ recorded to secure repayment in the event of transfer of ownership.

The financing arrangement would be based upon an agreement the utility and the customer would enter into to finance the installed equipment cost, plus a finance charge, which would be reflected as a line item entry on the customer’s bill until equipment and related installation is paid off. With this tariff offering, FPUC asserts it will be able to help customers facilitate the cost of equipment conversions to natural gas.

FPUC further sets forth that it and FCG are affiliate companies of Chesapeake Utilities, Inc., and that FCG has a similar provision in its tariff, last revised in 2021, to help customers manage the cost of converting appliances to natural gas.⁵ The petition included a version of FPUC’s First Revised Tariff Sheet 6.153 and Original Tariff Sheet 6.154 which was identical to FCG’s tariff. FPUC indicated that revising its tariff sheets to include this equipment financing option will promote the alignment of the two companies’ services.

However, in response to discussions between Company and staff, FPUC submitted revised language in the proposed tariff sheets on August 20, 2025. While the original version stated that FPUC would be “providing” the equipment, the revised proposed tariff sheets clarify that FPUC intends to offer customers equipment financing rather than the direct sale of equipment. This revised version of the tariff for which the Company is requesting Commission approval appears in Attachment A.

Initially, FPUC states that its planned implementation of the proposed tariff will be to offer financing for water heaters for residential customers under the conversion category of the tariff. Although compression and RNG equipment are also equipment categories in the proposed tariff revision, the utility asserts it intends to consider equipment financing for these types of

¹ Order No. PSC-2021-0040-TRF-GU, Florida City Gas Tariff, First Revised Sheet No. 26, paragraph 19 (effective December 1, 2023).

² Document No. 03470-2025, Response to Staff’s First Data Request, No. 2.a.

³ Expenses included in a utility’s revenue requirement are generally referred to as being “above the line.” Expenses disallowed by the regulator are generally referred to as being “below the line.”

⁴ A Uniform Commercial Code (UCC) lien is a public notice filed by a lender that a business’s assets serve as collateral for a loan. UCC filings allow creditors to reserve their rights to a debtor’s assets if they default on a secured loan. This filing, typically made with the state’s Secretary of State, gives the lender a first-position claim to the specified assets and serves as a public record for other potential creditors.

⁵ Order No. PSC-2021-0040-TRF-GU, issued January 25, 2021, in Docket No. 20200216-GU, *In re: Request for approval of tariff to accommodate receipt and transportation of renewable natural gas from customers, by Florida City Gas*.

equipment on a case-by-case basis. FPUC states that it has not fully investigated or developed preliminary equipment financing agreements for equipment types other than for water heaters.⁶

FPUC asserts that the equipment financing program will be available for both electric-to-gas conversions and gas-to-gas efficiency upgrades. Pre-established pricing for financed equipment would reflect any reductions for rebate amounts the equipment would qualify for under FPUC's Natural Gas Conservation Cost Recovery Clause (NGCCRC) programs. However, the Company clarified that any cost above the pre-established price will be the customer's responsibility.⁷

FPUC states that it will develop an approved third-party vendor list, wherein its customers will have the option to select contractors to provide the equipment and perform the installation work. The Company states that vendors will be independent third parties without affiliation to FPUC or Chesapeake Utilities, installation will be performed by licensed contractors, and customers will select among qualified providers.⁸

In order to qualify for equipment financing, FPUC maintains that its customers would have to demonstrate twelve months of good standing to enroll.⁹ Additionally, in order to participate in its finance program, customers would be required to own the property at the service address receiving service from FPUC.

FPUC asserts that it will secure repayment of all financed equipment costs by filing a UCC-1 lien on the property, and states that the UCC-1 lien would be transferable to a new owner, if the original participant moves before the balance is paid in full. FPUC contends that all expenses and revenues associated with the equipment financing program will be treated "above the line" for regulatory purposes. The Company asserts that nonpayment of equipment financing charges will not result in service disconnection, and any associated bad debt expense will be recorded and recovered through the program rather than the general body of ratepayers.¹⁰ When the equipment financing balance is paid in full, the lien will be removed.

FPUC provided a sample customer water heater financing agreement, a mock-up bill inclusive of the proposed finance charge, and a hypothetical example of finance calculations and payments based on a 60-month amortization schedule.¹¹ FPUC also provided sample accounting entries showing payment amount to third-party contractors, application of NGCCRC rebates, transaction fees (liens and administrative fees), and recognition of financing income.¹²

The Company projects up to 100 participants in its financing program in the first year, with approximately 80 percent of participants seeking gas-to-gas equipment efficiency upgrades and

⁶ Document No. 03470-2025, Response to Staff's First Data Request, No. 2.a. Examples of potential future financed equipment include compressors, dispenser pumps, filtration storage units, and digesters.

⁷ Document No. 03470-2025, Response to Staff's First Data Request, No. 2.d.

⁸ Document No. 08076-2025, Response to Staff's Third Data Request, Nos. 6.a., 6.b., and 6.c.

⁹ Document No. 08076-2025, Response to Staff's Third Data Request, No. 1.b.

¹⁰ The Company asserts that a program-specific bad-debt reserve will be funded based on the Company's historical uncollectible rate, with any unrecovered balance applied to the reserve and credited back if amounts are later recovered under the lien. Document No. 09279-2025, Response to Staff's Fourth Data Request, Nos. 3. a.– b.

¹¹ Document No. 04992-2025, Response to Staff's Second Data Request, No. 1.

¹² Document No. 04992-2025, Response to Staff's Second Data Request, No. 1.

the remainder seeking electric-to-gas conversions. For reference, in 2023 FPUC recorded 212 gas-to-gas and 129 electric-to-gas tankless water heater conversions, while in 2024 it recorded 239 gas-to-gas and 77 electric-to-gas conversions. The Company states that its projection of 100 participants is informed by FCG's experience since implementing a similar tariff provision in late 2023. For reference, FCG provided financing for 138 gas-to-gas upgrades in 2024 and 23 electric-to-gas conversions.

During the review process, staff issued four data requests to FPUC and held two teleconferences with the Company to discuss the filing and related issues. By Order No. PSC-2025-0168-PCO-GU, issued May 27, 2025, the Commission suspended the proposed tariff revisions.

The Commission has jurisdiction over this matter pursuant to Section 366.04, and 366.052, Florida Statutes (F.S.).

Discussion of Issues

Issue 1: Should the Commission approve FPUC's proposed First Revised Tariff Sheet 6.153 and Original Tariff Sheet 6.154, as revised on August 20, 2025, that would allow customers to enter into agreements with FPUC for term financing of equipment classified as gas conversion (inclusive of appliances), compression, or RNG equipment?

Recommendation: The Commission should approve FPUC's revised tariff sheets (First Revised Tariff Sheet 6.153 and Original Tariff Sheet 6.154, as revised on August 20, 2025, attached) regarding the provision of financing for gas conversion (inclusive of appliances), compression, or RNG equipment to be owned and maintained by the customer, but with the following conditions designed to protect the general body of ratepayers:

(1) FPUC should be required to file copies of equipment finance agreement forms, including updates, in this docket prior to implementation of financing for each category of equipment, until the rate schedules and tariffs across all Chesapeake-affiliated gas utilities operating in Florida are consolidated in a future rate proceeding; and

(2) FPUC should be required to file annual reports in this docket, by March 1 of 2026 and 2027 for the prior year's financing activities, providing: (a) participation metrics by category; (b) financial performance (all program revenues and costs, including equipment installation costs, cost-of-capital amounts, bad-debt costs, transaction costs, and other cost categories); (c) defaults and lien activity; (d) rebate utilization; and (e) vendor information. The report should be organized by equipment type, with separate subsections if the program expands beyond water heaters. (Pope, Barrett, Gatlin, Thompson)

Staff Analysis:

Key Considerations

Statutory Considerations and Precedence of Utility Equipment Financing

The Commission has jurisdiction over this matter under Section 366.04, F.S., which provides the Commission authority to regulate natural gas utilities. Section 366.05(2), F.S., further requires that any utility that "sells appliances or other merchandise shall keep separate and individual accounts for the sale and profit from such sales." A sale is defined by Section 672.106(1), F.S., as "the passing of title from the seller to a buyer for a price." FPUC asserts that, because the company would never have custody of or title to the equipment, it would not qualify as a sale. Rather, FPUC states that the proposed tariff in this docket would allow for financing of the customer's purchase of an appliance from a third-party vendor as opposed to the utility making a sale to the customer, which exempts FPUC's proposal from the purview of Statute 366.05(2), F.S.

The Commission has previously approved limited forms of equipment financing by regulated utilities. Examples include Peoples Gas System, Inc.'s natural gas vehicle compressor financing

program for fleet operators,¹³ Florida Power & Light Company's (FPL) Supplemental Power Services Tariff for backup generators,¹⁴ and the HVAC On-Bill Option¹⁵ approved for FPL customers. FCG has maintained an equipment financing tariff similar to the proposed tariff in this docket since the late 1990s and amended it as recently as 2020.¹⁶ Staff believes the existence of these precedents provides a regulatory basis for considering FPUC's request, and recommends approval of FPUC's proposal as consistent with prior Commission decisions.

Compression and RNG Equipment Financing

Although the proposed tariff seeks approval to offer financing for gas conversion, compression, or RNG equipment, FPUC plans to focus its implementation of this tariff to facilitate financing of water heaters.¹⁷ The Company states that a wide variety of equipment could fall under the compression and RNG equipment categories, but it currently lacks the detailed information about financing terms, options, or offerings for these categories. FPUC characterizes these categories as a possible "future expansion" for which it would develop such details at a later time, after it had reviewed equipment and installation costs, and developed financing terms accordingly.¹⁸ FPUC has indicated that the financing terms for compression and RNG equipment will differ somewhat compared to conversion equipment, and acknowledged that a case-by-case review would be necessary before it would enter into an agreement for compression or RNG equipment financing.¹⁹

The Company's immediate focus for the tariff is centered on tankless water heaters for residential customers under the conversion category of the tariff. FPUC provided estimates of participation for tankless water heaters, but no category-specific data or analysis for the compression and RNG equipment categories.²⁰

Non-participant Safeguards

In its program design, FPUC built in safeguards to limit imposing an undue risk to its general body of ratepayers. First, the utility set forth that only customers in good standing would be eligible to participate in the equipment loan program.²¹ Second, the utility stated it will establish a UCC-1 lien on the property to secure the financed amount. Third, the financial agreement includes a cost component for bad-debt reserve that will be funded based on the Company's historical uncollectible rate, with recoveries credited back if amounts are later collected under the lien. Likewise, the utility plans to include in its program fee its transactions costs to cover administration and lien placement. Staff believes these utility safeguards reduce the risk that the program would result in a shift of finance program costs to non-participants.

¹³ Order No. 25626, issued January 22, 1992, in Docket No. 910942-EG, *In Re: Petition for approval of its natural gas vehicle program of Peoples Gas System, Inc.*

¹⁴ Order No. PSC-2019-0220-TRF-EI, issued June 3, 2019, in Docket No. 20190034-EI, *in re: Petition for approval of optional supplemental power services pilot program and rider, by Florida Power & Light Company.*

¹⁵ See Docket No. 20240012-EI, *Commission review of numeric conservation goals (Florida Power & Light Company).*

¹⁶ See Order No. PSC-2021-0040-TRF-GU.

¹⁷ Document No. 03470-2025, Response to Staff's First Data Request, No. 1.a.

¹⁸ Document No. 03470-2025, Response to Staff's First Data Request, No. 1.b.

¹⁹ Document No. 03470-2025, Response to Staff's First Data Request, Nos. 1.a. and 2.a.

²⁰ Document No. 03470-2025, Response to Staff's First Data Request, Nos. 4.a. and 4.b.

²¹ Document No. 08076-2025, Response to Staff's Third Data Request, No. 1.b.

Section 366.05(2), F.S., which requires separate accounting for sale of appliances or merchandise, also prohibits the Commission from taking any profit or loss related to those sales into account. Although FPUC maintains that this tariff does not allow for sale of equipment as contemplated by Section 366.05(2), F.S., FPUC has agreed that it can establish separate subaccounts for the finance activities that will allow the Commission to review the finance program in future rate case proceedings.²²

According to FPUC, all financing-related revenues and expenses would be treated “above the line.”²³ The Company represents that its role is limited to providing financing at the Company’s overall cost of capital. The appliance and installation costs would not be recorded to “plant in service” because the utility would not hold title to any asset. However, accounts receivable and a provision for bad debt would be included in working capital, thus included in rate base at the time of the next rate proceeding.²⁴

Staff notes that the equipment financing program as proposed involves uneven flows of revenues and expenses over time. FPUC must pay the plumbing vendors the full price of equipment installations at the time of installation, and the Company would receive funds from program participants based on cost amortization over a period of years. Thus, intergenerational inequities at some level can be expected, but if rates charged for financing are set to recover all related costs, the program would be fully cost compensatory over time.

Recommended Reporting Requirements

As discussed above, FPUC’s stated intention upon approval is to offer financing primarily for water heater conversions. While the proposed revised tariff includes the option to finance its customers compression and RNG equipment, the Company has no financing terms, options, offerings, or customer agreements for either compression or RNG equipment at this time. Due to this current lack of information, staff believes FPUC should be required to submit, for staff review, copies of equipment finance agreement forms (detailing terms, conditions, and including updates when they arise) in this docket prior to implementing the provision of financing arrangements for each category of equipment.

In order to provide oversight of the proposed financing program and its impact to both participants and FPUC’s general body of ratepayers, staff also believes FPUC should adhere to a post-approval reporting requirement as relates to this proposed tariff. Specifically, FPUC should be required to submit in this docket equipment financing annual reports, by March 1 of 2026 and 2027 for the prior year’s financing activities, that provide the following: (a) participation information for each equipment category (appliance-specific), (b) financial performance based on separated accounting detail (all program revenues and costs, including equipment installation costs, cost of capital, bad debt costs, transaction costs, and any/all other cost categories, all maintained in separate subaccounts), (c) defaults and lien activity metrics, (d) rebate participation and dollar amounts, and (e) vendor participation details. The annual report should be organized by equipment type, with separate subsections if the utility’s financing program expands beyond water heaters.

²² Document No. 08076-2025, Response to Staff’s Third Data Request, No. 2.e.

²³ Document No. 03470-2025, Response to Staff’s First Data Request, No. 1.f.

²⁴ Document No. 04992-2025, Response to Staff’s Second Data Request, No. 1.

In the event that FPUC's parent company, Chesapeake LLC, seeks Commission approval to consolidate the rates and tariffs of its Florida natural gas divisions, staff believes the Commission would have an opportunity to evaluate the merits of further alignment of the Florida divisions' tariffs into a single tariff based, in part, upon the results and details provided in the equipment financing annual reports.

Conclusion

Staff believes the Commission should approve FPUC's proposed revised tariff sheets (First Revised Tariff Sheet 6.153 and Original Tariff Sheet 6.154, as revised on August 20, 2025, attached) regarding the provision of financing for gas conversion (inclusive of appliances), compression, or RNG equipment to be owned and maintained by the customer, but with the following conditions designed to protect the general body of ratepayers:

(1) FPUC should be required to file copies of equipment finance agreement forms, including updates, in this docket prior to implementation of financing for each category of equipment, until the rate schedules and tariffs across all Chesapeake-affiliated gas utilities operating in Florida are consolidated in a future rate proceeding; and

(2) FPUC should be required to file annual reports, by March 1 of 2026 and 2027 for the prior year's financing activities, providing: (a) participation metrics by category; (b) financial performance (all program revenues and costs, including equipment installation costs, cost-of-capital amounts, bad-debt costs, transaction costs, and other cost categories); (c) defaults and lien activity; (d) rebate utilization; and (e) vendor information. The report should be organized by equipment type, with separate subsections if the program expands beyond water heaters.

Staff believes these utility safeguards reduce the risk that the program would result in a shift of finance program costs to non-participants.

Issue 2: Should this docket be closed?

Recommendation: No. If a protest is filed by a substantially affected person 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 placed into monitoring status upon the issuance of a consummating order so that the utility can file its reports in this docket. Once the monitoring reports have been filed, staff should have administrative authority to remove the docket from monitoring status and close it or request the Commission reopen the docket for further proceedings as deemed necessary at that time. (Thompson)

Staff Analysis: No. If a protest is filed by a substantially affected person 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 placed into monitoring status upon the issuance of a consummating order so that the utility can file its reports in this docket. Once the monitoring reports have been filed, staff should have administrative authority to remove the docket from monitoring status and close it or request the Commission reopen the docket for further proceedings as deemed necessary at that time.

Florida Public Utilities Company
FPSC Tariff
Original Volume No. 2

First Revised Sheet No. 6.153
Cancels Original Sheet No. 6.153

RULES AND REGULATIONS - CONTINUED

- a. The AEP Charge shall not be billed to any Customer premise that activates Gas service from an AEP extension of facilities subsequent to the end of the completed build out period following the in-service date of an AEP extension of facilities.
 - b. Revenues from the AEP Charge shall be credited against the Company's distribution main plant account, except that the Company shall retain, as a return on its capital investment, a portion of such revenues equal to its allowed cost of capital.
4. Service Extensions from Existing Mains:
The Company shall extend service facilities connecting a Customer premise to an existing Main, where the Company's capital investment to install the service does not exceed the MACC. Where the service extension capital investment exceeds the MACC, the Customer shall pay to the Company a non-refundable amount equal to the difference between the MACC and the estimated capital cost of the service extension.
5. Temporary Service:
In the case of temporary service for short-term use, Company may require Customer to pay all costs of making the service connection and removing the material after service has been discontinued, or to pay a fixed amount in advance to cover such expense; provided, however, that Customer shall be credited with reasonable salvage realized by Company when service is terminated.
6. Relocation of Distribution Facilities:
When alterations or additions to structures or improvements on premises to which Company provides service necessitate the relocation of Company's distribution facilities, or when such relocation is requested by Customer for any reason, Customer may be required to reimburse Company for all or any part of the costs incurred by Company in the performance of such relocation.
7. Ownership of Property:
The Company shall own, operate, and maintain all service pipes, regulators, vents, Meters, Meter connections, valves, and other apparatus from Company Mains to the outlet side of the Meter and shall have a perpetual right of ingress and egress thereto.
8. Equipment Financing:
If requested by Customer, and the Company agrees to provide financing for the necessary gas conversion, compression, or RNG equipment to be owned and maintained by the Customer, an agreement as to terms and conditions governing

Issued by: Jeffrey Sylvester, Chief Operating Officer
Florida Public Utilities Company

Effective:

Florida Public Utilities Company

FPSC Tariff

Original Volume No. 2

Original Sheet No. 6.154

RULES AND REGULATIONS - CONTINUED

Equipment Financing Continued

recovery of the financed costs for such equipment from the Customer may be entered into and the initial contract term of gas service shall at a minimum be the same as the period of recovery stated in the agreement. A finance cost recovery charge will be listed as a separate line item on the customer's bill to collect cost incurred; including carrying cost at the company's overall approved cost of capital, in providing such conversion to natural gas. At such time as the Company has recovered its installation cost, the finance charge will be removed from the customer's bill.

Issued by: Jeffrey Sylvester, Chief Operating Officer
Florida Public Utilities Company

Effective:

Item 6

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: September 25, 2025

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Economics (Nguyen, Hampson) *EDD*
Office of the General Counsel (Dose) *JSC*

RE: Docket No. 20250099-GU – Joint petition for approval of amendments to transportation service agreements between Peninsula Pipeline Company, Inc. and Florida City Gas.

AGENDA: 10/07/25 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Clark

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

On August 7, 2025, Peninsula Pipeline Company, Inc. (Peninsula) and Florida City Gas (FCG), collectively the Parties, filed a joint petition seeking approval of amendments to three separate Firm Transportation Service Agreements (FTSAs) that had been previously approved by the Commission. The proposed amendments to the FTSAs are included as attachments to the recommendation.

By Order No. PSC-2024-0271-PAA-GU (2024 Order), the Commission approved three FTSAs between Peninsula and FCG.¹ FCG had entered into commodity purchase agreements with three

¹ Order No. PSC-2024-0271-PAA-GU, issued July 26, 2024, in Docket No. 20240039-GU, *In re: Petition for approval of transportation service agreements between Peninsula Pipeline Company, Inc. and Pivotal Utility Holdings, Inc. d/b/a Florida City Gas.*

third party Renewable Natural Gas (RNG) producers. Pursuant to the 2024 FTSA's, Peninsula would construct, own, and operate new gas pipelines allowing for the delivery of the natural gas purchased by FCG from the third party producers. To support the 2024 FTSA's, the parties had stated that this would diversify and introduce additional gas supply sources, enhance transmission access, and increase system resiliency. The three RNG projects are located in Brevard, Indian River, and Miami Dade Counties. The FTSA's contain monthly reservation charges, payable from FCG to Peninsula, that reflect Peninsula's construction costs.

The Parties state the amendments to the FTSA's pertain to the interconnection agreements (ICAs) between FCG and the RNG producers which were referenced in the 2024 Order. The interconnection agreements (ICA) between FCG and the RNG producers were entered into before FCG was acquired by Chesapeake and not subject to Commission approval. The ICAs address the construction of pipeline facilities and establishment of an interconnection point connecting the RNG facilities to FCG. In the response to staff's fourth data request in Docket No. 20240039-GU, the Parties stated that upon acquisition of FCG by Chesapeake, it was determined that the interconnection projects would be a better fit as a Peninsula project.² In the same responses, the Parties explain that it would be best to use Peninsula to tie the RNG producers into the rest of the FCG distribution system because the project is more in line with the transmission activity projects that Peninsula has expertise in facilitating and building. The instant petition amends the FTSA's to reflect a subcontracting of the ICA work to Peninsula.

Peninsula and FCG are both wholly owned subsidiaries of Chesapeake Utilities Corporation (Chesapeake). Staff notes that FCG became a subsidiary of Chesapeake on December 1, 2023. Peninsula operates as an intrastate natural gas transmission company as defined by Section 368.103(4), Florida Statutes (F.S.).³ FCG operates as a local distribution company subject to the regulatory jurisdiction of the Commission pursuant to Chapter 366, F.S.

By Order No. PSC-07-1012-TRF-GP, Peninsula received approval of an intrastate gas pipeline tariff that allows it to construct and operate intrastate pipeline facilities and to actively pursue agreements with natural gas customers.⁴ The Parties are subsidiaries of Chesapeake, and agreements between affiliated companies must be approved by the Commission pursuant to Section 368.105, F.S.

During the evaluation of the petition, staff issued one data request to the Parties for which responses were received on September 5, 2025.⁵ Staff also had a phone call with the Parties on September 19, 2025, after which the Parties filed supplemental responses on September 23, 2025.⁶ The Commission has jurisdiction over this matter pursuant to Sections 368.104, and 368.105, F.S.

² Document No. 05188-2024, filed June 10, 2024.

³ Order No. PSC-06-0023-DS-GP, issued January 9, 2006, in Docket No. 050584-GP, *In re: Petition for declaratory statement by Peninsula Pipeline Company, Inc. concerning recognition as a natural gas transmission company under Section 368.101, F.S., et seq.*

⁴ Order No. PSC-07-1012-TRF-GP, issued December 21, 2007, in Docket No. 20070570-GP, *In re: Petition for approval of natural gas transmission pipeline tariff by Peninsula Pipeline Company, Inc.*

⁵ Document No. 09213-2025, filed September 5, 2025.

⁶ Document No. 13843-2025, filed September 23, 2025.

Discussion of Issues

Issue 1: Should the Commission approve the proposed Amendments to the Firm Transportation Service Agreements dated July 23, 2025, between Peninsula and FCG?

Recommendation: Yes, the Commission should approve the proposed Amendments to the Firm Transportation Service Agreements dated July 23, 2025, between Peninsula and FCG. The proposed amendments to the agreements are reasonable and meet the requirements of Section 368.105, F.S. (Nguyen)

Staff Analysis: As described in paragraph 10 of the instant petition and in response to staff's data requests in Docket No. 20240039-GU, the Parties had contemplated that the interconnection work may also be done by Peninsula. Therefore, the Parties now propose for the FTSA's approved in the 2024 Order to be amended to add monthly reservation charges associated with the cost to construct, own, operate and maintain the interconnection facilities used to connect the RNG producers to FCG.

On page 6 of the instant petition, the Parties state the facilities previously approved in the FTSA's and the facilities mentioned in the ICAs are "inter-reliant." Additionally, the Parties explain that it is most efficient for Peninsula to construct the pipeline facilities contemplated in the 2024 Order from each RNG site to the interconnection point with FCG, as well as the interconnection facilities addressed in the ICA. Peninsula will also construct the necessary regulator stations, pressure regulation and measuring equipment, valving, filters, and communications equipment necessary. Peninsula also agrees to install gas quality monitoring equipment and monitor at the interconnect to ensure that the natural gas meets required gas quality levels. FCG retains ownership of the meter and its agreement with each RNG producer. Furthermore, in response to staff's first data request, the Parties state that it would not be efficient to have two different entities doing the planning, engineering, permitting work, and operation and maintenance on facilities constructed for the same projects.⁷

With the proposed amendments, a fixed, monthly reservation charge, payable from FCG to Peninsula, will be added to the existing FTSA's. This charge is equal to the monthly service charge that the RNG producer will pay to FCG under the terms of the ICA once in-service. FCG will then credit the payment from the RNG producer to its Purchased Gas Adjustment Clause costs. Further discussion of this payment structure was provided in Peninsula and FCG's supplemental response.⁸ All of the amended FTSA's include monthly reservation charges that vary dependent upon the year of the agreement. Peninsula and FCG stated that this is because of negotiating charges reflective of the development of a project over time.⁹ The Parties also mention this could be used as front-loaded recovery in the first few years with reductions over time.

Peninsula and FCG assert that the rates in the amended FTSA's meet the requirements of Section 368.105(3), F.S., and are consistent with Order Nos. PSC-2006-0023-DS-GP and PSC-2007-

⁷ Document No. 09213-2025, filed September 5, 2025.

⁸ Attachment A in the Parties' Supplemental Response, Document No. 13843-2025, filed September 23, 2025.

⁹ Response No. 11 in Staff's First Data Request, Document No. 09213-2025, filed September 5, 2025.

1012-TRF-GP and with Peninsula's tariff on file with the Commission. Staff has reviewed the amended FTSAs and agrees that the monthly reservation charges associated with the ICAs are identical to the monthly reservation charges that were included in the agreements between FCG and the RNG producers, which were entered prior to FCG becoming an affiliate to Peninsula.

The Parties assert, in response No. 2 of the Parties' supplemental response, that the costs of these projects include a metering and regulation site with regulators, remote monitoring communication and control configurations, and meters. The Parties also state the costs of these projects are comparable to those of a standard interconnect. However, the company states there is equipment specific to the RNG that other interconnects do not require. These components average approximately \$550,000 per project, which the Parties state is a small portion of the cost.

In the Parties' supplemental response, the Parties state that the interconnect facilities for the Brevard project are currently anticipated to be completed in October 2025. The interconnect facilities related to the Indian River project are constructed and in service. Finally, the interconnect facilities related to the Miami Dade project are estimated to be completed in early 2026.

Conclusion

Based on the petition and the Parties' responses to staff's data requests, staff recommends that the Commission should approve the proposed amendments to the FTSAs dated July 23, 2025, between Peninsula and FCG, attached to this recommendation. The proposed amendments to the agreements are reasonable and meet the requirements of Section 368.105 F.S.

Issue 2: Should this docket be closed?

Recommendation: If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order. (Dose)

Staff Analysis: If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order.

PENINSULA PIPELINE COMPANY, INC.
FIRST AMENDMENT TO FIRM TRANSPORTATION SERVICE AGREEMENT

This First Amendment to Firm Transportation Service Agreement ("Amendment No. 1") is made and entered into this 23rd day of July, 2025, by and between Peninsula Pipeline Company, Inc., a corporation of the State of Delaware (herein called "Company" or "PPC"), and Pivotal Utility Holdings, Inc. d/b/a Florida City Gas, a New Jersey corporation (herein called "Shipper" or "FCG"), to amend certain provisions of the Firm Transportation Service Agreement dated February 26, 2024, between Company and Shipper. PPC and FCG are sometimes referred to herein individually as a "Party" and collectively as "Parties."

WITNESSETH

WHEREAS, Company and Shipper are parties to that certain Firm Transportation Service Agreement entered into on February 26, 2024, and included in a petition filed with the Florida Public Service Commission ("FPSC") in Docket No. 20240039 (the "Agreement"), pursuant to which Company provides Shipper with firm transportation service in Brevard County, Florida; and

WHEREAS, Shipper has executed an interconnect agreement with a producer to facilitate the receipt and delivery of an alternate natural gas; and

WHEREAS, Shipper has requested and Company has agreed to build and operate the alternative natural gas interconnect; and

WHEREAS, the Parties desire to amend the Agreement to add Monthly Reservation Charges for an alternative natural gas interconnect ("Interconnect"), to be constructed by Company (which shall fall within the definition of "Project" as used in the Agreement);

NOW THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the sufficiency of which is hereby acknowledged, Company and Shipper do covenant and agree as follows:

1. Capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Agreement.
2. Article I is hereby amended by adding the following definition:

"Transporter" means the interstate pipeline, intrastate pipeline, local distribution company, or producer that transports Gas to the Receipt Point as identified and set forth in Exhibit A to this Agreement.
3. Article VIII of the Agreement is hereby amended by adding Section 8.3, stating as follows:

Company agrees to install gas quality monitoring equipment and monitor at the Interconnect, inclusive of an actuated valve to shut down and divert gas flow if

composition or components deviate from the required gas quality levels set forth in Company's Tariff. Shipper accepts the gas quality limits as set forth in Company's Tariff ("Gas Quality Limits"). If Gas Quality Limits are not met at the interconnect, the Company may divert all gas and notify Shipper of the deviation. The Project will be reactivated after two consecutive readings within Gas Quality Limits. Company shall not be liable to Shipper in any manner due to Company's refusal to accept gas that fails to meet the Gas Quality Limits. Company, at its sole discretion and cost, reserves the right to collect and sample the gas and conduct its own laboratory test.

4. Exhibit A to the Agreement is hereby stricken and replaced by First Revised Exhibit A attached to this Amendment No. 1.

5. The Parties agree that the rates, terms and conditions of this Amendment No. 1 may be placed into effect upon execution. The Parties further agree that, in the event that: (a) the FPSC declines to approve Amendment No. 1 to the Agreement; or (b) the FPSC fails to address Amendment No. 1 to the Agreement within twelve (12) months of execution; or (c) any person whose substantial interests are affected files a timely protest of the FPSC's order approving Amendment No. 1 to the Agreement, then the rates, terms and conditions shall revert to the original Agreement as approved by FPSC Order No. PSC-2024-0271-PAA-GU.

6. Except as modified by this Amendment No. 1, the Agreement shall remain unchanged and continue in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers or representatives.

COMPANY

Peninsula Pipeline Company, Inc.

By: *Kevin Webber*

Kevin Webber

Title: SVP and Chief Development Officer

Date: 07/24/2025

SHIPPER

Pivotal Utility Holdings, Inc. d/b/a Florida City Gas

By: *Jeff S. Sylvester*

Jeffrey S. Sylvester

Title: President and Chief Operating Officer
of Pivotal Utilities Holdings, Inc

Date: 07/24/2025

FIRST REVISED EXHIBIT A
FIRM TRANSPORTATION SERVICE AGREEMENT
BETWEEN
PENINSULA PIPELINE COMPANY, INC. AND
PIVOTAL UTILITY HOLDINGS d/b/a FLORIDA CITY GAS

July 23, 2025

Alternative Natural Gas Interconnect

Monthly Reservation Charge:

Year 1 – Year 4 [REDACTED] per month

Year 5 – Year 8 [REDACTED] per month

Year 9 – Year 13 [REDACTED] per month

Year 14 – Year 18 [REDACTED] per month

Year 19 – Year 25 [REDACTED] per month

Description of Transporter Delivery Point(s)

At or near Adamson Road and Sorrel Drive

Description of Point(s) of Delivery

At or near Route 524 and Cox Road

Monthly Reservation Charge:

Year 1 – Year 4 [REDACTED] per month

Year 5 – Year 8 [REDACTED] per month

Year 9 – Year 13 [REDACTED] per month

Year 14 – Year 18 [REDACTED] per month

Year 19 – Year 25 [REDACTED] per month

Total MDTQ (Dekatherms): Dt/Day: [REDACTED] dth/d

MHTP: [REDACTED]

Unauthorized Transportation Rate: [REDACTED] dth/d

Total Monthly Reservation Charge:

Year 1 – Year 4 [REDACTED] per month

Year 5 – Year 8 [REDACTED] per month

Year 9 – Year 13 [REDACTED] per month

Year 14 – Year 18 [REDACTED] per month

Year 19 – Year 25 [REDACTED] per month

Year 1 shall begin at the notification of the first day of commercial operations.

This charge is subject to adjustment pursuant to the terms of this Agreement

PENINSULA PIPELINE COMPANY, INC.
SECOND AMENDMENT TO FIRM TRANSPORTATION SERVICE AGREEMENT

This Second Amendment to Firm Transportation Service Agreement ("Amendment No. 2") is made and entered into this 23rd day of July, 2025, by and between Peninsula Pipeline Company, Inc., a corporation of the State of Delaware (herein called "Company" or "PPC"), and Pivotal Utility Holdings, Inc. d/b/a Florida City Gas, a New Jersey corporation (herein called "Shipper" or "FCG"), to amend certain provisions of the Firm Transportation Service Agreement dated February 26, 2024, between Company Shipper, as amended. PPC and FCG are sometimes referred to herein individually as a "Party" and collectively as "Parties.").

WITNESSETH

WHEREAS, Company and Shipper are parties to that certain Firm Transportation Service Agreement entered into on February 26, 2024, and included in a petition filed with the Florida Public Service Commission ("FPSC") in Docket No. 20240039 (the "Original Agreement"), pursuant to which Company provides Shipper with firm transportation in Indian River County, Florida; and

WHEREAS, Company and Shipper entered into that certain First Amendment to Firm Transportation Service Agreement dated February 14, 2025 ("Amendment No. 1," and the Original Agreement as amended by Amendment No. 1, the "Agreement"); and

WHEREAS, Shipper has executed an interconnect agreement with a producer to facilitate the receipt and delivery of an alternate natural gas; and

WHEREAS, Shipper has requested and Company has agreed to build and operate the alternative natural gas interconnect; and

WHEREAS, the Parties desire to further amend the Agreement to add Monthly Reservation Charges for four new Points of Delivery, to be constructed by Company (which shall fall within the definition of "Project" as used in the Agreement);

NOW THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the sufficiency of which is hereby acknowledged, Company and Shipper do covenant and agree as follows:

1. Capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Agreement.

2. Article I is hereby amended by adding the following definition:

"Transporter" means the interstate pipeline, intrastate pipeline, local distribution company, or producer that transports Gas to the Receipt Point as identified and set forth in Exhibit C to this Agreement.

3. Article VIII of the Agreement is hereby amended by adding Section 8.3, stating as follows:

Company agrees to install gas quality monitoring equipment and monitor at the Interconnect, inclusive of an actuated valve to shut down and divert gas flow if composition or components deviate from the required gas quality levels set forth in Company's Tariff. Shipper accepts the gas quality limits as set forth in Company's Tariff ("Gas Quality Limits"). If Gas Quality Limits are not met at the interconnect, the Company may divert all gas and notify Shipper of the deviation. The Project will be reactivated after two consecutive readings within Gas Quality Limits. Company shall not be liable to Shipper in any manner due to Company's refusal to accept gas that fails to meet the Gas Quality Limits. Company, at its sole discretion and cost, reserves the right to collect and sample the gas and conduct its own laboratory test.

4. Exhibit C to the Agreement is hereby stricken and replaced by Second Revised Exhibit C attached to this Amendment No. 2.

5. The Parties agree that the rates, terms and conditions of this Amendment No. 2 may be placed into effect upon execution. The Parties further agree that, in the event that: (a) the FPSC declines to approve Amendment No. 2 to the Agreement; or (b) the FPSC fails to address Amendment No. 2 to the Agreement within twelve (12) months of execution; or (c) any person whose substantial interests are affected files a timely protest of the FPSC's order approving Amendment No. 2 to the Agreement, then the rates, terms and conditions shall revert to the original Agreement as approved by FPSC Order No. PSC-2024-0271-PAA-GU.

6. Except as modified by this Amendment No. 2, the Agreement shall remain unchanged and continue in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers or representatives.

COMPANY

Peninsula Pipeline Company, Inc.

By: *Kevin Webber*

Kevin Webber

Title: SVP and Chief Development Officer

Date: 07/24/2025

SHIPPER

Pivotal Utility Holdings, Inc. d/b/a Florida
City Gas

By: *Jeff S. Sylvester*

Jeffrey S. Sylvester

Title: President and Chief Operating
Officer of Pivotal Utilities Holdings, Inc

Date: 07/24/2025

**SECOND REVISED EXHIBIT C TO
FIRM TRANSPORTATION SERVICE AGREEMENT
BETWEEN
PENINSULA PIPELINE COMPANY, INC. AND
PIVOTAL UTILITY HOLDINGS d/b/a FLORIDA CITY GAS
July 23, 2025**

Segment I

Description of Transporter Delivery Point(s)

Interconnection between Florida Gas Transmission and the vicinity of I-95 and County Road 512

Description of Point(s) of Delivery

Interconnection between Shipper and Company in the area of Winter Beach, Florida,

Interconnection between Shipper and Company in the area of Fellsmere, Florida

Total MDTQ (Dekatherms): Dt/Day [REDACTED]

MHTP: [REDACTED]

Total Monthly Reservation Charge (Segment I): [REDACTED]

Monthly Reservation Charge if Agreement extends beyond initial thirty (30) year period:

[REDACTED]

Segment II

Description of Transporter Delivery Point(s)

A tap to the existing pipeline constructed in Segment I at or near 5900 85th Street, Vero Beach, Florida 32958

Description of Point(s) of Delivery

Interconnections between Company and Shipper's distribution lines at the following locations:

Highway 510 Wabasso Station

Beachside Orchid Station

Beach Turtle Trail Station

Beachside Indian River Shores Station

Beachside Greytwig Station

From the Interconnection points identified herein, Company shall construct the Pipeline that shall consist of [REDACTED] pipe. The design operating pressure is 625 psig, with an MAOP of 700 psig. At 700 psig the hoop stress in the [REDACTED] [REDACTED] The final design and construction of the Pipeline shall not materially deviate from these interconnection points or specifications absent a written and signed amendment of the Parties to this first revised amendment. The Pipeline consists of pipeline only and does not include any gate station, regulator station, branch valves, laterals, required property, etc.

MHTP [REDACTED]

Total MDTQ (Dekatherms): [REDACTED] Dt/Day

Years 1-5 [REDACTED]
Years 6-10 [REDACTED]
Years 11-15 [REDACTED]
Years 16-20 [REDACTED]
Years 21-25 [REDACTED]
Years 26-30 [REDACTED]

Segment III

Alternative Natural Gas Interconnect

Monthly Reservation Charge (Segment III): [REDACTED]

Description of Transporter Delivery Point(s)

At or near Oslo Road and 74th Avenue
77th Street and Kings Highway

Description of Point(s) of Delivery

At or near Oslo Road and 74th Avenue
77th Street and Kings Highway
At or near 74th Avenue and N Sandpiper Drive

Monthly Reservation Charge (Segment III): [REDACTED]

Total MDTQ (Dekatherms): Dt/Day [REDACTED]

MHTP: [REDACTED]

This charge is subject to adjustment pursuant to the terms of this Agreement.

Unauthorized Use Rate (In addition to Monthly Reservation Charge):

[REDACTED] Each Day Unauthorized Use

Total Monthly Reservation Charge (Segment III): [REDACTED]

Year 1 shall begin at the notification of the first day of commercial operations of Segment

PENINSULA PIPELINE COMPANY, INC.
FIRST AMENDMENT TO FIRM TRANSPORTATION SERVICE AGREEMENT

This First Amendment to Firm Transportation Service Agreement ("Amendment No. 1") is made and entered into this 23rd day of July, 2025, by and between Peninsula Pipeline Company, Inc., a corporation of the State of Delaware (herein called "Company" or "PPC"), and Pivotal Utility Holdings, Inc. d/b/a Florida City Gas, a New Jersey corporation (herein called "Shipper" or "FCG"), to amend certain provisions of the Firm Transportation Service Agreement dated February 26, 2024, between Company and Shipper. PPC and FCG are sometimes referred to herein individually as a "Party" and collectively as "Parties."

WITNESSETH

WHEREAS, Company and Shipper are parties to that certain Firm Transportation Service Agreement entered into on February 26, 2024, and included in a petition filed with the Florida Public Service Commission ("FPSC") in Docket No. 20240039 (the "Agreement"), pursuant to which Company provides Shipper with firm transportation service in Miami-Dade County, Florida; and

WHEREAS, Shipper has executed an interconnect agreement with a producer to facilitate the receipt and delivery of an alternate natural gas; and

WHEREAS, Shipper has requested and Company has agreed to build and operate the alternative natural gas interconnect; and

WHEREAS, the Parties desire to amend the Agreement to add Monthly Reservation Charges for an alternative natural gas interconnect ("Interconnect"), to be constructed by Company (which shall fall within the definition of "Project" as used in the Agreement);

NOW THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the sufficiency of which is hereby acknowledged, Company and Shipper do covenant and agree as follows:

1. Capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Agreement.
2. Article I is hereby amended by adding the following definition:

"Transporter" means the interstate pipeline, intrastate pipeline, local distribution company, or producer that transports Gas to the Receipt Point as identified and set forth in Exhibit A to this Agreement.
3. Article VIII of the Agreement is hereby amended by adding Section 8.3, stating as follows:

Company agrees to install gas quality monitoring equipment and monitor at the Interconnect, inclusive of an actuated valve to shut down and divert gas flow if composition or components deviate from the required gas quality levels set forth in Company's Tariff. Shipper accepts the gas quality limits as set forth in Company's Tariff ("Gas Quality Limits"). If Gas Quality Limits are not met at the interconnect, the Company may divert all gas and notify Shipper in writing of the deviation. The Project will be reactivated after two consecutive readings within Gas Quality Limits. Company shall not be liable to Shipper in any manner due to Company's refusal to accept gas that fails to meet the Gas Quality Limits. Company, at its sole discretion and cost, reserves the right to collect and sample the gas and conduct its own laboratory test.

4. Exhibit A to the Agreement is hereby stricken and replaced by First Revised Exhibit A attached to this Amendment No. 1.

5. The Parties agree that the rates, terms and conditions of this Amendment No. 1 may be placed into effect upon execution. The Parties further agree that, in the event that: (a) the FPSC declines to approve Amendment No. 1 to the Agreement; or (b) the FPSC fails to address Amendment No. 1 to the Agreement within twelve (12) months of execution; or (c) any person whose substantial interests are affected files a timely protest of the FPSC's order approving Amendment No. 1 to the Agreement, then the rates, terms and conditions shall revert to the original Agreement as approved by FPSC Order No. PSC-2024-0271-PAA-GU.

6. Except as modified by this Amendment No. 1, the Agreement shall remain unchanged and continue in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers or representatives.

COMPANY
Peninsula Pipeline Company, Inc.

SHIPPER
Pivotal Utility Holdings, Inc. d/b/a Florida
City Gas

By: Kevin Webber

By: Jeffrey S. Sylvester

Kevin Webber

Jeffrey S. Sylvester

Title: SVP and Chief Development Officer

Title: President and Chief Operating Officer
of Pivotal Utilities Holdings, Inc

Date: 07/24/2025

Date: 07/24/2025 :

FIRST REVISED EXHIBIT A

FIRM TRANSPORTATION SERVICE AGREEMENT

BETWEEN

PENINSULA PIPELINE COMPANY, INC. AND

PIVOTAL UTILITY HOLDINGS d/b/a FLORIDA CITY GAS

July 23, 2025

Alternative Natural Gas Interconnect

Monthly Reservation Charge:

Year 1 – Year 5 [REDACTED] per month

Year 6 – Year 10 [REDACTED] per month

Year 11 – Year 15 [REDACTED] per month

Year 16 – Year 20 [REDACTED] per month

Description of Transporter Delivery Point(s)

At or near NW 93rd Street and NW 89th Avenue

Description of Point(s) of Delivery

At or near NW 93rd Street and NW 89th Avenue

At or near NW 12th Street and NW 72 Avenue

Monthly Reservation Charge:

Year 1 – Year 5 [REDACTED] per month

Year 6 – Year 10 [REDACTED] per month

Year 11 – Year 15 [REDACTED] per month

Year 16 – Year 20 [REDACTED] per month

Total MDTQ (Dekatherms): Dt/Day: [REDACTED] dth/d

MHTP: [REDACTED] %

Unauthorized Transportation Rate: [REDACTED] dth/d

Total Monthly Reservation Charge:

Year 1 – Year 5 [REDACTED] per month

Year 6 – Year 10 [REDACTED] per month

Year 11 – Year 15 [REDACTED] per month

Year 16 – Year 20 [REDACTED] per month

Year 1 shall begin at the notification of the first day of commercial operations.
This charge is subject to adjustment pursuant to the terms of this Agreement

Item 7

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: September 25, 2025

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Economics (Ward) *JP*
Office of the General Counsel (Bloom) *JSC*

RE: Docket No. 20250102-GU – Petition for approval of tariff modification to reflect TTS pool manager, by Florida Public Utilities Company.

AGENDA: 10/07/25 – Regular Agenda – Tariff Filing – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 10/13/25 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

Case Background

On August 14, 2025, Florida Public Utilities Company (FPUC or utility) filed a petition for approval of a tariff modification reflecting the automation of FPUC's Transitional Transportation Service (TTS) pool manager assignment process. The TTS program is designed to allow Indiantown and Central Florida Gas (CFG) Division customers to purchase natural gas from one of two TTS shippers and select from certain gas pricing options offered by the TTS shippers. The TTS tariff was originally established in 2002 to facilitate the conversion of remaining sales customers to aggregated customer pools. These customer pools are administered by qualified gas marketers (also known as pool managers) who have the capability of combining the gas supply requirements of customers in the TTS pools with other customers served by the pool managers, both on and off the utility's distribution system. FPUC's Indiantown and CFG Division provide transportation service only. Under the proposed tariff, FPUC would utilize its new billing system to automate the assignment of TTS pool managers. In response to staff's data request, the utility stated that TTS pool manager A would be assigned to customers moving in on even numbered

calendar days, while TTS pool manager B would be assigned to customers moving in on odd numbered calendar days.¹ Currently, this assignment is done manually.

During the evaluation of the petition, staff issued a data request for which responses were received on September 5, 2025. Proposed tariff sheet No. 6.526 is included to the recommendation as Attachment A. The Commission has jurisdiction over this matter pursuant to Sections 366.03, 366.04, 366.05, and 366.06, Florida Statutes (F.S.).

¹ Document No. 09211-2025, filed September 5, 2025.

Discussion of Issues

Issue 1: Should the Commission approve FPUC's request to automatically assign TTS pool managers and the associated tariff?

Recommendation: Yes, the Commission should approve FPUC's request to automatically assign TTS pool managers and the associated tariff. The new automated process will allow the utility to bill customers efficiently, while ensuring that initial pool manager assignments are made on a fair and unbiased basis. If approved, proposed tariff sheet No. 6.526 should become effective upon the issuance of a Consummating Order. (Ward)

Staff Analysis: Historically, if a premises had previously been assigned a particular pool manager, then any customer that subsequently moved into that premises would automatically be assigned to that same pool manager. If no pool manager had been assigned to the premises in the past, then a pool manager would be manually assigned to either TTS pool manager A or B. In response to staff's data request, the utility stated that pool manager A is assigned to customers signing up for service on even numbered calendar days and pool manager B is assigned to customers signing up for service on odd numbered calendar days.

In its petition, FPUC states that with the utility's new billing system, pool manager assignments can be done automatically without manual intervention, regardless of any prior history. In response to staff's data request, the utility stated that it would utilize the new customer move-in workflow in System Analysis Program Development (SAP), its new billing system, to automate the assignment of TTS pool managers.² The new automated process would automatically assign new customers to TTS pool managers based upon whether the customer at that location signs up for service on an odd or even day of the week. Under the proposed tariff, this would take place regardless of any prior pool manager history at the location. In response to staff's data request, the utility asserted that if in the future a third TTS pool manager was added, the utility would adjust the automation to assign TTS pool managers every third day, ensuring that each pool manager is provided an equal opportunity to be assigned during the move-in workflow.³

Additionally, in response to staff's data request, the utility stated that a periodic review will be performed to confirm TTS pool manager assignments are distributed as expected based on move-in dates.⁴ The utility asserts that the new automated process will improve the utility's ability to bill customers efficiently and accurately, as well as further ensure that initial pool manager assignments are made on a fair and unbiased basis.

Conclusion

Staff recommends approval of FPUC's request to automatically assign TTS pool managers and the associated tariff. The new automated process will allow the utility to bill customers efficiently, while ensuring the initial pool manager assignments are made on a fair and unbiased basis. If approved, proposed tariff sheet No. 6.526 should become effective upon the issuance of a Consummating Order.

² *Id.*

³ *Id.*

⁴ *Id.*

Issue 2: Should this docket be closed?

Recommendation: If a timely protest is filed, the tariff should not be implemented while the protest is pending. If no protest is filed by a person whose substantial interests are affected within 21 days of the issuance of the Order, this docket should be closed upon the issuance of a Consummating Order. (Bloom)

Staff Analysis: If a timely protest is filed, the tariff should not be implemented while the protest is pending. If no protest is filed by a person whose substantial interests are affected within 21 days of the issuance of the Order, this docket should be closed upon the issuance of a Consummating Order.

Florida Public Utilities Company
FPSC Tariff
Original Volume No. 2
No. 6.526

~~Second~~^{First} Revised Sheet No. 6.526
~~Replaces Original~~^{Cancels First Revised} Sheet

RULES AND REGULATIONS - CONTINUED

Service Initiation Existing Premise Continued:

- ~~For new Customer premises to which an initial bill has not been issued, Service will be delayed until the first day of the second calendar month following enrollment by the Pool Manager.~~
2. Service Transfer Between Pools:
To initiate the transfer of service between Transportation Service pools that includes Individual Transportation Service, CI Transportation Service, and TTS Service, a Customer shall select a Company-approved replacement Pool Manager and replacement Pool Manager shall enroll Customer electronically via Company's website. Prior to electronic enrollment transfer, Pool Manager shall obtain a Letter of Authorization from the Customer in the form set forth on Sheet Nos. 8.134-8.137 of this tariff and have signed by the Customer prior to enrollment. Transportation Service by the Company to a Customer account for which service hereunder has been properly requested by electronic enrollment prior to the tenth (10th) Business Day prior to the end of the month will commence on the first day of the following calendar month following receipt by the Company of the aforesaid electronic enrollment.
 3. Reactivation of Existing Residential Customer Premise:
Residential Customers reactivating Transportation Service at an existing premise shall be assigned to the daily prevailing TTS Pool Manager ~~that was serving the previous Residential Customer located at the premise.~~
 6. Transfer of Residential Customer:
When a Residential Customer transfers Transportation Service from an existing premise to another premise, Customer will be assigned to the daily prevailing TTS Pool Manager ~~upon request by Customer, said Residential Customers' existing TTS Pool Manager shall transfer with the Customer to the new premise.~~
 7. Transfer of Non-Residential Customer:
When a Non-Residential Customer transfers Transportation Service from an existing premise to another premise, Customer will be assigned to the daily prevailing TTS Pool Manager. ~~Non-Residential Customers transferring Transportation Service from an existing premise to another premise shall be required to~~ Customer must submit a new LOA to Pool Manager, and Pool Manager shall transfer service no later than ten (10) Working Days prior to the end of the Month to retain its selected Pool Manager at the new premise. All Ft. Meade and FPUC Service Area Non-Residential Customers who change Pool Managers will be charged a \$23.00 fee when a Pool Manager is changed after Customer's initial designation.
 8. Indiantown and CFG Service Area Non-Residential Customers Currently Receiving Service from CI Pool Manager:
Non-Residential Customers receiving service from a CI Pool Manager may select to be assigned to a TTS Customer Pool. Said Non-Residential Customer shall execute a Letter of Authorization specifying the TTS Pool Manager or shall be assigned by Company to a TTS Pool Manager no later than ten (10) Working Days prior to the end of the Month.

Issued by: Jeffrey Sylvester, Chief Operating Officer
Florida Public Utilities Company

Effective: ~~JUN 05 2025~~

Item 8

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: September 25, 2025

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Economics (Ward) *JP*
Office of the General Counsel (Bloom) *JSC*

RE: Docket No. 20250106-GU – 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.

AGENDA: 10/07/25 – Regular Agenda – Tariff Suspension – Participation is at the Commission's Discretion

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 10/28/25 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

Case Background

On August 29, 2025, Peoples Gas System, Inc. (Peoples or utility) filed a petition for approval of the 2024 true-up, projected 2025 true-up, and 2026 revenue requirements and surcharges associated with its cast iron/bare steel (CI/BS) pipe replacement rider. 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/BS surcharge would be "reset to zero".² The surcharge is set to terminate

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.

when all applicable CI/BS 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.

Currently, Peoples has an ongoing rate case in Docket No. 20250029-GU, and it has proposed to move \$6,733,295 of CI/BS investments made between January 1, 2024 and December 31, 2025 into rate base. On August 13, 2025, Peoples filed a Motion to Approve 2025 Stipulation and Settlement Agreement (2025 Agreement). Subject to Commission approval, the 2025 Agreement provides for the transfer of the \$6,733,295 in CI/BS investments into rate base and reflects the specific agreement by the utility that it will not seek to expand the categories of costs to be recovered under the CI/BS rider during the term of the 2025 Agreement. Additionally, the 2025 Agreement reflects the agreement by the utility that it will not recover Problematic Plastic Pipe (PPP) costs associated with the Tampa Downtown project or any other PPP costs included for recovery in its initial rate case filing through the CI/BS rider.

As part of its petition in the instant docket, Peoples is requesting Commission approval of the final true-up amount for the calendar year of 2024 of \$331,724 under-recovery (including interest). Additionally, Peoples is requesting an estimated end of period total true-up for 2025 of an over-recovery of \$69,991, and projected capital expenditures for replacement during 2026 of \$62,143,657. Peoples is requesting approval of revised CI/BS replacement rider surcharges that would go into effect January 1, 2026. Peoples' current surcharges were approved by Order No. PSC-2024-0511-TRF-GU.³

This is staff's recommendation to suspend the proposed tariffs. The Commission has jurisdiction over this matter pursuant to Sections 366.04, 366.05, and 366.06, Florida Statutes (F.S.).

³ Order No. PSC-2024-0511-TRF-GU, issued December 20, 2024, in Docket No. 20240133-GU, *In re: 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.*

Discussion of Issues

Issue 1: Should the Commission suspend Peoples' proposed CI/BS rates and associated tariff for the period January through December 2026?

Recommendation: Yes. Staff recommends that Peoples' proposed CI/BS rates and associated tariff for the period January through December 2026 be suspended to allow staff sufficient time to review the petition and gather all pertinent information in order to present the Commission with an informed recommendation on the tariff proposal. (Ward)

Staff Analysis: Staff recommends that Peoples' proposed CI/BS rates and associated tariff for the period January through December 2026 be suspended to allow staff sufficient time to review the petition and gather all pertinent information in order to present the Commission with an informed recommendation on the tariff proposal.

Pursuant to Section 366.06(3), F.S., the Commission 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. Staff believes that the reason stated above is a good cause consistent with the requirements of Section 366.06(3), F.S.

Issue 2: Should this docket be closed?

Recommendation: No. This docket should remain open pending the Commission's decision on the proposed tariffs. (Bloom)

Staff Analysis: This docket should remain open pending the Commission's decision on the proposed tariffs.

Item 9

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: September 25, 2025

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Economics (Nguyen, Hampson) *EDD*
Office of the General Counsel (Bloom) *JSC*

RE: Docket No. 20250107-GU – Petition for approval of swing service rider rates for January through December 2026, by Florida Public Utilities Company.

AGENDA: 10/07/25 – Regular Agenda – Tariff Suspension – Participation is at the Commission's Discretion

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 11/02/25 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

Case Background

On September 2, 2025, Florida Public Utilities Company (FPUC or utility) filed a petition for approval of revised Swing Service Rider rates and associated tariffs for the period January 2026 through December 2026. The swing service rider is a cents per therm charge that is included in the monthly gas bill of transportation customers, who purchase gas from third party marketers, and therefore do not pay the Purchased Gas Adjustment (PGA) charge.

The Commission first approved FPUC's swing service rider tariff by Order No. PSC-16-0422-TRF-GU (2016 Order).¹ The 2016 Order requires FPUC to file an annual petition to recalculate the swing service rider rates based on the utility's actual interstate capacity costs and the most

¹ Order No. PSC-16-0422-TRF-GU, issued October 3, 2016, in Docket No. 160085-GU, *In re: Joint petition for approval of swing service rider, by Florida Public Utilities Company, Florida Public Utilities Company-Indiantown Division, Florida Public Utilities Company-Fort Meade, and Florida Division of Chesapeake Utilities Corporation.*

recent 12-months' usage data. Furthermore, the 2016 Order requires FPUC to incorporate the calculated revenues from the swing service rider as a credit to the PGA proceeding for the concurrent year. The January through December 2025 swing service rider rates were approved in Order No. PSC-2024-0487-TRF-GU.² This is staff's recommendation to suspend the proposed tariffs. The Commission has jurisdiction over this matter pursuant to Sections 366.04, 366.041, 366.05, and 366.06, Florida Statutes (F.S.).

² Order No. PSC-2024-0487-TRF-GU, issued November 25, 2024, in Docket No. 20240135-GU, *In re: Petition for approval of swing service rider, by Florida Public Utilities Company, Florida Public Utilities Company-Indiantown Division, Florida Public Utilities Company-Fort Meade, and Florida Division of Chesapeake Utilities Corporation.*

Discussion of Issues

Issue 1: Should the Commission suspend FPUC's proposed Swing Service Rider rates and associated tariffs for the period January through December 2026?

Recommendation: Yes. Staff recommends that FPUC's proposed Swing Service Rider rates and associated tariffs for the period January through December 2026 be suspended to allow staff sufficient time to review the petition and gather all pertinent information in order to present the Commission with an informed recommendation on the tariff proposals. (Nguyen)

Staff Analysis: Staff recommends that FPUC's proposed Swing Service Rider rates and associated tariffs for the period January through December 2026 be suspended to allow staff sufficient time to review the petition and gather all pertinent information in order to present the Commission with an informed recommendation on the tariff proposal.

Pursuant to Section 366.06(3), F.S., the Commission 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. Staff believes that the reason stated above is a good cause consistent with the requirement of Section 366.06(3), F.S.

Issue 2: Should this docket be closed?

Recommendation: No. This docket should remain open pending the Commission decision on the proposed revised tariffs. (Bloom)

Staff Analysis: This docket should remain open pending the Commission decision on the proposed revised tariffs.

Item 10

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: September 25, 2025

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Economics (Guffey) *JD*
Office of the General Counsel (Dose) *JSC*

RE: Docket No. 20250109-GU – Petition for approval of gas utility access and replacement directive cost recovery factors for January 2026 through December 2026, by Florida Public Utilities Company.

AGENDA: 10/07/25 – Regular Agenda – Tariff Suspension – Participation is at the Commission's Discretion

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 11/02/25 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

Case Background

On September 2, 2025, Florida Public Utilities Company (FPUC) filed a petition for approval of its Gas Utility Access and Replacement Directive (GUARD Program) cost recovery factors for the period January through December 2026. By Order No. PSC-2023-0235-PAA-GU (2023 Order), the Commission approved FPUC's 10-year GUARD program, consisting of (1) replacement of problematic pipes and facilities and (2) relocation of mains and service lines located in rear easement and other difficult to access areas to the front lot easements.¹ The 2023 Order allows FPUC to recover the revenue requirements of expedited programs to replace

¹ Order No. PSC-2023-0235-PAA-GU, issued August 15, 2023, amended by Order No. PSC-2023-0235A-PAA-GU, issued August 18, 2023, in Docket No. 20230029-GU, *In re: Petition for approval of gas utility access and replacement directive, by Florida Public Utilities Company.*

problematic pipes and facilities and enhance the safety and accessibility of portions of FPUC's natural gas distribution system through a monthly surcharge on customers' bills.

The Commission further ordered FPUC to: (1) include all calculations to show a final true-up, actual-estimated true-up, projected year investments and associated revenue requirements, and the calculations of the GUARD factors by rate class; (2) provide a report including the location, date, description, and associated costs of all replacement projects completed and all projects scheduled for the following year; and (3) include any remaining GRIP over- or under-recovery in the GUARD cost recovery. FPUC has complied with the 2023 Order directives stated above. The Commission approved FPUC's 2025 GUARD factors in Order No. PSC-2024-0504-TRF-GU.²

This is staff's recommendation to suspend the proposed tariffs for 2026 GUARD factors. The Commission has jurisdiction over this matter pursuant to Sections 366.04, 366.05, and 366.06, Florida Statutes (F.S.).

² Order No. PSC-2024-0504-TRF-GU, issued December 17, 2024 in Docket No. 20240137-GU, *In re: Petition for approval of GUARD cost recovery factors, by Florida Public Utilities Company.*

Discussion of Issues

Issue 1: Should the Commission suspend FPUC's proposed Gas Utility Access and Replacement Directive (GUARD) cost recovery factors and associated tariff for the period January to December 2026?

Recommendation: Yes. Staff recommends that FPUC's proposed GUARD cost recovery factors and associated tariff for the period January to December 2026 be suspended to allow staff sufficient time to review the petition and gather all pertinent information in order to present the Commission with an informed recommendation on the proposed tariff modifications. (Guffey)

Staff Analysis: Staff recommends that FPUC's proposed GUARD cost recovery factors and associated tariff for the period January to December 2026 be suspended to allow staff sufficient time to review the petition and gather all pertinent information in order to present the Commission with an informed recommendation on the proposed tariff modifications.

Pursuant to Section 366.06(3), F.S., the Commission may withhold consent to the operation of all or any portion of the new rate schedules, delivering to the utility requesting such a change, a reason, or written statement of a good cause for doing so within 60 days. Staff believes that the reason stated above is a good cause consistent with the requirement of Section 366.06(3), F.S.

Issue 2: Should this docket be closed?

Recommendation: No. This docket should remain open pending the Commission decision on FPUC's GUARD cost recovery factors and associated revised tariffs to implement the 2026 GUARD factors. (Dose)

Staff Analysis: This docket should remain open pending the Commission decision on FPUC's GUARD cost recovery factors and associated revised tariffs to implement the 2026 GUARD factors.

Item 11

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: September 25, 2025

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Economics (P. Kelley) *ED*
Office of the General Counsel (Sandy) *JSC*

RE: Docket No. 20250111-GU – Petition for approval of safety, access, and facility enhancement program true-up and 2026 cost recovery factors, by Florida City Gas.

AGENDA: 10/07/25 – Regular Agenda – Tariff Suspension – Participation is at the Commission's Discretion

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 11/02/25 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

Case Background

On September 3, 2025, Florida City Gas (FCG or utility) filed a petition for approval of its safety, access, and facility enhancement (SAFE) program true-up and 2026 cost recovery factors. The SAFE program was originally approved by the Commission in Order No. PSC-15-0390-TRF-GU (2015 Order) to recover the cost of relocating on an expedited basis certain existing gas mains and associated facilities from rear lot easements to the street front.¹ In the 2015 Order, the Commission found that the relocation of mains and services to the street front provides for more direct access to the facilities and will enhance the level of service provided to all customers through improved safety and reliability. The SAFE factor is a fixed surcharge on customers' bills.

¹ Order No. PSC-15-0390-TRF-GU, issued September 15, 2015, in Docket No. 20150116-GU, *In re: Petition for approval of safety, access, and facility enhancement program and associated cost recovery methodology, by Florida City Gas.*

In the 2015 Order, the Commission required the utility to file an annual petition, beginning in 2016, for review and resetting of the SAFE factors to true-up any prior over-or under-recovery and to set the surcharge for the coming year. The SAFE program was originally approved as a 10-year program and was planned to finish in 2025.

During the utility's 2022 rate case, the Commission approved a stipulation for the expansion of the SAFE program in Order No. PSC-2023-0177-FOF-GU.² The parties agreed and the Commission found that the continuation of the SAFE program beyond its 2025 expiration date and the relocation of an additional approximately 150 miles of mains and services was reasonable.³

In addition, in Order No. PSC-2023-0177-FOF-GU, the Commission approved a stipulation for the replacement of approximately 160 miles of "orange pipe."⁴ All parties to the rate case agreed that orange pipe is a specific plastic material that was used in the 1970s and 1980s that has been studied by the United States Department of Transportation Pipeline and Hazardous Materials Safety Administration and shown through industry research to exhibit premature failure in the form of cracking. The parties agreed and the Commission ordered that FCG should expedite the replacement of 160 miles of orange pipe through the SAFE program to address this safety risk in a timely manner.

In 2024, the Commission approved FCG's petition to modify its SAFE program to include replacing of span pipes, burying shallow and exposed pipeline, and replacing of obsolete pipe and related facilities.⁵ The total estimated cost for the program modifications is \$49.8 million over a ten year period.⁶ The additional program modifications are included in this proceeding for recalculation of the SAFE surcharges. The current 2025 SAFE factors were approved by Order No. PSC-2025-0033-TRF-GU (2025 Order).⁷

This is staff's recommendation to suspend the proposed tariffs. The Commission has jurisdiction over the matter pursuant to Sections 366.04, 366.041, 366.05, and 366.06, Florida Statutes (F.S.).

² Order No. PSC-2023-0177-FOF-GU, issued June 9, 2023, in Docket No. 20220069-GU, *In re: Petition for rate increase by Florida City Gas*.

³ Order No. PSC-2023-0177-FOF-GU, page 72, Section X, B.

⁴ Order No. PSC-2023-0177-FOF-GU, page 72, Section X, C.

⁵ Order No. PSC-2024-0438-PAA-GU, issued October 2, 2024, in Docket No. 20240071-GU, *In re: Petition for approval of safety, access, and facility enhancement program modifications, by Florida City Gas*.

⁶ Order No. PSC-2024-0438-PAA-GU, page 4.

⁷ Order No. PSC-2025-0033-TRF-GU, issued January 28, 2025, in Docket No. 20240134-GU, *In re: Petition for approval of safety, access, and facility enhancement program true-up and 2024 cost recovery factors, by Florida City Gas*.

Discussion of Issues

Issue 1: Should the Commission suspend FCG's proposed SAFE tariffs for the period of January through December 2026?

Recommendation: Yes. Staff recommends that FCG's proposed SAFE tariffs for the period January through December 2026 be suspended to allow staff sufficient time to review the petition and gather all pertinent information in order to present the Commission with an informed recommendation on the tariff proposals. (P. Kelley)

Staff Analysis: Staff recommends that FCG's proposed SAFE tariffs for the period January through December 2026 be suspended to allow staff sufficient time to review the petition and gather all pertinent information in order to present the Commission with an informed recommendation on the tariff proposal.

Pursuant to Section 366.06(3), F.S., the Commission 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. Staff believes that the reason stated above is a good cause consistent with the requirement of Section 366.06(3), F.S.

Issue 2: Should this docket be closed?

Recommendation: No. This docket should remain open pending the Commission decision on the proposed tariffs. (Sandy)

Staff Analysis: This docket should remain open pending the Commission decision on the proposed tariffs.

Item 12

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: September 25, 2025

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Economics (Bethea, Bruce, Hudson) *CB*
Division of Accounting and Finance (McClelland, Quigley, Vogel)
Division of Engineering (P. Buys, Ramos, L. Smith II) *TB*
Office of the General Counsel (Dose, Augspurger, Crawford) *JSC ACH*

RE: Docket No. 20250052-WS – Application for increase in water and wastewater rates in Brevard, Citrus, Duval, Highlands, Marion, and Volusia Counties by CSWR-Florida Utility Operating Company, LLC

AGENDA: 10/07/25 – Regular Agenda – Decision on Interim Rates – Participation is at the Discretion of the Commission

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Clark

CRITICAL DATES: 60-Day Interim Waived until 10/7/2025

SPECIAL INSTRUCTIONS: None

Case Background

CSWR-Florida Utility Operating Company, LLC (CSWR or utility) is a Class A utility providing water and wastewater service to 11 systems in the following counties: Brevard, Citrus, Duval, Highlands, Marion, and Volusia. As the result of recent acquisitions and a grandfather certificate, CSWR is now a Florida domestic limited liability company that owns and operates the water and wastewater systems that are the subject of this rate case application. CSWR is a wholly-owned subsidiary of CSWR-Florida Utility Holding Company, LLC (CSWR, LLC).

In 2024, the utility recorded consolidated company operating revenues of \$3,853,102 for water and \$3,332,319 for wastewater. CSWR reported a net operating loss of \$1,436,909 for water and

\$136,494 for wastewater. The utility has approximately 144,303 water customers and 87,571 wastewater customers for its combined systems. The following table reflects the rate proceeding in which rates were last established for each of CSWR's systems.

Last Rate Proceedings Establishing Rates for CSWR Systems

Former Utility Name	Order	Issuance Date
Aquarina Utilities, Inc.	PSC-2020-0158-PAA-WS	May 15, 2020
BFF Corp.	PSC-2002-0487-PAA-SU	April 8, 2002
C.F.A.T. H2O, Inc.	PSC-2011-0366-PAA-WS	August 31, 2011
Neighborhood Utilities, Inc.	PSC-2016-0537-PAA-WU	November 23, 2016
North Peninsula Utilities, Corp.	PSC-2019-0461-PAA-SU	October 25, 2019
Rolling Oaks Utilities, Inc.	Citrus County Approved	February 1, 2022
Sebring Ridge Utilities, Inc.	PSC-1996-0869-FOF-WS	July 2, 1996
Sunshine Utilities, Inc.	PSC-2012-0357-PAA-WU	July 10, 2012
TKCB, Inc.	PSC-2021-0435-PAA-SU	November 22, 2021
Tradewinds Utilities, Inc.	PSC-2011-0385-PAA-WS	September 13, 2011
Tymber Creek Utilities, Inc.	PSC-2011-0345-PAA-WS; Amendatory Order PSC- 2011-0345A-PAA-WS	August 16, 2011

During the years of 2021-2024, CSWR applied to acquire ten of the systems in this rate proceeding, and all ten transfer dockets were approved by the Commission. On July 21, 2025, the Commission approved a grandfather certificate for Rolling Oaks Utilities, Inc., as the eleventh CSWR system.

On May 30, 2025, CSWR filed an application for approval of interim and final water and wastewater rate increases. By letter dated June 27, 2025, staff advised the utility that its Minimum Filing Requirements (MFRs) had several deficiencies. Having reviewed the utility's deficiency response, staff sent a second letter to CSWR on August 15, 2025, advising that the utility's rate application remains deficient. To date, the official date of filing has not been established for noticing purposes.

The utility's application for increased final water and wastewater rates is based on the historical 12-month period ended January 31, 2025, with requested capital recovery for facility improvements since the time of acquisitions. Additionally, the utility requested a single, consolidated rate structure. In approving interim rates pursuant to Section 367.082, Florida Statutes (F.S.), it has been Commission practice to use the utility's current rate structure at the time of the interim rate request. For purposes of this recommendation, the analysis for each rate structure will be referred to by the former utility name prior to the acquisitions.

CSWR requested interim rates for all of its systems, designed to generate additional revenues of \$2,279,365 for water operations and \$225,973 for wastewater operations.

In setting final rates, the current rate structure of each system is also used for the collection of the final revenues. CSWR requested final rates designed to generate additional revenues of \$3,223,769 for water operations and \$954,881 for wastewater operations. By Order No. PSC-

2025-0318-PCO-WS, issued August 21, 2025, the Commission suspended CSWR's final rates request.

The intervention of the Office of Public Counsel (OPC) was acknowledged by Order No. PSC-2025-0113-PCO-WS, issued April 7, 2025, in this docket.

On September 4, 2025, the Commission approved CSWR's interim rates request for nine systems and denied the request for one system.¹

CSWR has one remaining system, Aquarina, where the request for interim rates has not yet been addressed. The utility extended the statutory time frame to address its interim rates request for Aquarina through the October 7, 2025 Commission Conference, as the utility has multiple services for water, potable and non-potable water requires separate revenue requirements.² This recommendation addresses the utility's interim rate request for Aquarina. The Commission has jurisdiction pursuant to Sections 367.081 and 367.082, F.S.

¹Order No. PSC-2025-0361-PCO-WS, issued September 24, 2025, in Docket No. 20250052-WS, *In re: Application for increase in water and wastewater rates in Brevard, Citrus, Duval, Highlands, Marion, and Volusia Counties by CSWR-Florida Utility Operating Company*.

²Document No. 06826-2025, filed on July 25, 2025.

Discussion of Issues

Issue 1: Should any interim revenue increase for Aquarina be approved?

Recommendation: Yes. The utility should be authorized to collect annual water revenues for Aquarina – Non-Potable in the amount of \$274,095, which is an increase of \$62,050, or 29.26 percent, over staff’s adjusted test year revenues of \$212,044. The utility also should be authorized to collect annual water revenues for Aquarina – Potable in the amount of \$194,053, which is an increase of \$9,820, or 5.33 percent, over staff’s adjusted test year revenues of \$184,233. Aquarina – Wastewater appears to be earning above its maximum return on equity (ROE). As such, revenues in the amount of \$42,253 should be collected subject to refund, instead of decreasing rates at this time. (McClelland, Vogel, P. Buys)

Staff Analysis: Pursuant to Section 367.082(1), F.S., the Commission may authorize the collection of interim rates during any proceeding for a change of rates upon petition from any party or its own motion, and in order to establish a prima facie entitlement for interim relief, the utility shall demonstrate that it is earning outside the range of reasonableness on its rate of return. Pursuant to Section 367.082(2)(a), F.S., in a proceeding for an interim increase in rates, the Commission shall authorize, within 60 days of the filing for such relief, the collection of rates sufficient to earn the minimum of the range of rate of return. CSWR filed rate base, cost of capital and net operating statements to support its requested interim water and wastewater increases. However, it had to re-file its request for Aquarina, as the water revenue requirement required a break out of the potable and non-potable rates.

Pursuant to Section 367.082(5)(b)1., F.S., the achieved rate of return for interim purposes must be calculated by applying adjustments consistent with those used in the utility’s most recent rate proceeding and annualizing any rate changes. Staff reviewed CSWR’s interim request, as well as all orders that addressed the utility’s most recent rate proceedings. Staff has attached accounting schedules for Aquarina’s Potable water, Non-Potable water, and Wastewater systems to illustrate staff’s recommended rate base, capital structure, and test year operating income amounts. The rate base schedules are labeled as Schedule Nos. 1-A, 1-B, and 1-C. The capital structure schedule is labeled Schedule No. 2. The operating income schedules are labeled as Schedule Nos. 3-A, 3-B, and 3-C. Staff’s recommended adjustments are discussed below.

Interim Rate Base

Simple Average Adjustment

Consistent with Rule 25-30.433(5), Florida Administrative Code (F.A.C.), and Aquarina’s previous rate case, the utility’s interim test year should reflect rate base calculated using the simple beginning and end-of-year average (simple average) method. CSWR’s interim filing for Aquarina reflects a rate base calculated using a 13-month average. Staff adjusted the balances to reflect the simple average method, as shown on Schedule No. 1 for each system. Staff’s recommended adjustments are reflected in the table below.

Table 1-1
Interim Adjustments to Reflect Simple Average

System	Plant	Accumulated Depreciation	Accumulated Amortization of CIAC
Aquarina – Potable	\$588,548	(\$468,392)	\$588
Aquarina – Non-Potable	\$397,787	(\$334,905)	\$0
Aquarina – Wastewater	\$448,523	(\$629,006)	\$847

Used & Useful

Staff reviewed the utility's interim used and useful (U&U) calculations, previous Commission decisions, and available usage and capacity data contained in CSWR's MFR schedules. Staff recommends the adjustments identified in Table 1-2 for Aquarina, based on current system conditions and using the methodology approved in the system's prior rate case order.

Table 1-2
Interim U&U Adjustments

Aquarina	Last Rate Case U&U	CSWR Requested U&U	Staff Recommended U&U
Potable WTP	81%	81%	100%
Non-Potable Water Plant	100%	81%	100%
Potable Water Storage	47%	47%	61%
Non-Potable Water Storage	61%	47%	61%
WWTP	56%	56%	56%
Potable Water Distribution System	63%	63%	63%
Non-Potable Water Distribution System	100%	63%	100%
Collection System	65%	65%	65%

Sources: Order No. PSC-2016-0583-PAA-WS, issued December 29, 2016, in Docket No. 20150010-WS, *In re: Application for staff-assisted rate case in Brevard County by Aquarina Utilities, Inc.*, Document Nos. 04080-2025, 04993-2025, and 07961-2025, in Docket No. 20250052-WS, *In re: Application for increase in water and wastewater rates in Brevard, Citrus, Duval, Highlands, Marion, and Volusia Counties by CSWR-Florida Utility Operating Company*.

In its interim MFR B-3 schedules, the utility indicated non-used and useful adjustments to depreciation expense for all three systems. However, for two systems, Aquarina – Potable and Aquarina – Non-Potable, the adjustment was not reflected on the MFR B-1 schedules and therefore, not included in the revenue requirement for either system. As such, staff made corresponding adjustments to reflect these adjustments.

Based on the above calculations and staff's corrections to CSWR's used and useful percentages, staff recommends the adjustments indicated on the table below.

Table 1-3
Interim – Used & Useful Adjustments

System	Rate Base	Depreciation Expense	Property Tax
Aquarina – Potable	\$43,454	(\$3,032)	\$457
Aquarina – Non-Potable	\$61,163	(\$90)	\$510
Aquarina – Wastewater	\$54,220	\$1,250	\$391

Contributions in Aid of Construction

In its initial and revised MFRs, CSWR listed balances of \$421,159 in Contributions in Aid of Construction (CIAC) and \$280,629 in Accumulated Amortization of CIAC for Aquarina – Potable, with no balance allotted to either account for Aquarina – Non-Potable. In staff's correspondence with CSWR, the utility acknowledged that the amount should have been allocated between the two systems, and provided the correct allocation.³ For Aquarina – Potable, the CIAC balance should be decreased by \$47,636 for a total of \$373,523, and the accumulated amortization of CIAC should be reduced by \$34,963 to a total of \$245,666. For Aquarina – Non-Potable, the CIAC balance should be \$47,636, and the accumulated amortization of CIAC balance should be \$34,963. Based on the corrections to CSWR's CIAC balances for both systems, staff recommends net depreciation expense be increased by \$1,584 for Aquarina – Potable, and decreased by \$1,584 for Aquarina – Non-Potable to reflect the corresponding CIAC amortization expense.

Acquisition Adjustment

In its filing, the utility requested an acquisition adjustment for all Aquarina systems.⁴ The utility reflected an acquisition adjustment of \$1,145,736 for Aquarina – Potable, \$863,567 for Aquarina – Non-Potable, and \$306,986 for Aquarina - Wastewater in its interim request. The acquisition adjustments have been removed from rate base for the purpose of calculating interim rates, as they have not been approved by the Commission. It is expected that CSWR's acquisition adjustment petitions will be consolidated with the instant rate proceeding, and that the acquisition adjustment requests will be addressed together with CSWR's rate request in a future administrative hearing.

³Document 13587-2025 filed on September 19, 2025.

⁴Docket Nos. 20250038-WS, 20250043-WS, and 20250047-WS, in which CSWR requested an acquisition adjustment for Aquarina and two other CSWR systems. By Order No. PSC-2025-0250-PCO-WS, issued June 25, 2025, the Commission denied a motion to dismiss the petitions, allowing the three acquisition adjustment applications to proceed; however, no acquisition adjustments have been ordered for these systems at this time.

Working Capital Allowance

Although CSWR, post-consolidation, would be classified as a Class A utility, working capital should be calculated for each system using the same basis from its respective prior rate cases. Pursuant to Rule 25-30.433(3), F.A.C., working capital allowance for Class B and C utilities are calculated using the formula method, which is one-eighth of operation and maintenance (O&M) expenses. CSWR did not calculate working capital allowance in accordance with the rule in its MFRs, and instead calculated a working capital allowance of approximately one-eight hundredth of O&M expenses for each system. Staff adjusted the working capital allowance for each system pursuant to Rule 25-30.433(3), F.A.C., using the formula method and staff's recommended O&M for each system. The following table shows all working capital adjustments made by staff.

Table 1-4
Interim Working Capital Adjustments

System	Adjustment
Aquarina – Potable	\$11,882
Aquarina – Non-Potable	\$24,091
Aquarina – Wastewater	\$26,145

Interim Cost of Capital ***Capital Structure***

In its initial filing, Aquarina's capital structure included only common equity and short term debt. Staff asked the utility for clarification on how capital structure was calculated. The utility confirmed that the cost of capital is imputed from CSWR - LLC., the parent company of CSWR. The capital structure is calculated based on Aquarina's actual financial data. The debt portion consists of notes payable to the parent, which are available as the result of a debt facility sourced by the parent in 2024 and transferred in response to the capital needs of the system. The equity consists of paid-in capital contributed primarily for the acquisition and improvement of the system and the accumulated retained earnings or deficit.⁵

ROE

Pursuant to the provisions of the interim statute, an interim decrease should be calculated using the maximum ROE limit, and an interim increase should be calculated using the minimum ROE limit. CSWR's deficient initial interim filing, dated May 30, 2025, included schedules labeled "Interim Rate – Revenue Deficiency" which indicated the use of the ROEs from Aquarina's previous rate case. In its updated interim filing, dated June 27, 2025, the MFR Schedule D-1 reflected a ROE of 8.77 percent. The Excel workpapers did not provide support calculations for the ROE. The updated filing also included the "Interim Rate – Revenue Deficiency" schedules with ROEs from each previous rate case, but the actual calculation of revenue requirement reflected 8.77 percent. The updated interim Aquarina filing, dated August 5, 2025, maintained the previously indicated 8.77 percent ROE.

Section 367.082(5)(b), F.S., states the required rate of return shall be calculated using the last authorized rate of return on equity of the utility or regulated company, which also includes using

⁵Document No. 07685-2025, filed on August 8, 2025.

the leverage formula as appropriate. However, consistent with Commission practice, the existing ROE does not transfer when a system assumes a new owner, so it is permissible to use the leverage formula as the last authorized rate of return.⁶ Staff recommends the interim cost of capital be calculated using the 2025 leverage formula, which results in a ROE of 8.55 percent, as shown on Schedule No. 2.⁷

Simple Average Adjustment

Consistent with Rule 25-30.433(5), F.A.C., and Aquarina's previous rate case, the utility's interim test year for Class B utilities should reflect a cost of capital calculated using the simple average method. CSWR's interim filing reflects a cost of capital calculated using a 13-month average. Staff adjusted the balance to reflect the simple average method, as shown on Schedule No. 2.

Pro Rata Adjustment

In its MFRs, the utility only made an adjustment to common equity. Aquarina's capital structure consists of common equity and short term debt. Consistent with Aquarina's most recent rate case, staff recommends the capital structure be prorated across both sources of capital, as shown on Schedule No. 2.⁸

Interim Net Operating Income

Pursuant to Section 367.082(5)(b)1., F.S., the achieved rate of return for interim purposes must be calculated by applying adjustments consistent with those made in the utility's most recent rate proceeding and annualized for any rate changes. Based on staff's review, several adjustments are necessary for interim purposes as reflected on the respective adjustments to operating income schedules.

Test Year O&M Adjustments – Annualization

CSWR made several adjustments to O&M expenses for Aquarina related to new third party contracts that began during the test year. However, staff believes this set of adjustments is improper for interim purposes. Rule 25-30.437(2)(d), F.A.C., states that for the utility to "demonstrate that it is earning outside the range of reasonableness" on its rate of return, "the utility must submit schedules of rate base, cost of capital, and net operating income on an historical basis." The adjustments provided in its interim filings were made to annualize a change in O&M expenses that occurred during the test year. These adjustments would shift O&M expenses in their entirety from a historical basis to a pro forma basis. Staff believes these

⁶See Order Nos. PSC-2022-0227-PCO-WS, issued June 27, 2022, in Docket No. 20220066-WS, *In re: Application for increase in water rates in Washington County, by Sunny Hills Utility.*; PSC-2006-0670-FOF-WS, issued August 7, 2006, in Docket No. 20060261-WS, *In re: Application for increase in water and wastewater rates in Lake County by Utilities, Inc. cf Pembroke*; and PSC-2012-0554-PCO-WS, issued October 17, 2012, in Docket No. 20120152-WS, *In re: Application for increase in water and wastewater rates in Orange County by Pluris Wedgfield, Inc.*

⁷Order No. PSC-2025-0269-PCO-WS, issued July 25, 2025, in Docket No. 20240108-SU, *In re: Water and wastewater utilities annual reestablishment cf authorized range cf return on common equity for water and wastewater utilities pursuant to Section 367.081(4)(i), F.S.*

⁸Order Nos. PSC-2025-0289-PAA-SU, issued July 28, 2025, and Amendatory Order PSC-2025-0289A-PAA-SU, issued August 1, 2025, in Docket No. 20240108-SU, *In re: Application for increase in wastewater rates in Monroe County by K W Resorts Utilities Corp.*; and PSC-2024-0046-PAA-WS, issued February 22, 2024, and Amendatory Order PSC-2024-0046A-PAA-WS, issued March 12, 2024, in Docket No. 20230081-WS, *In re: Application for increase in water and wastewater rates in Broward County by Royal Waterworks, Inc.*

adjustments are appropriate for consideration in the final rate increase, but violate the nature of the interim process. As such, staff recommends removal of the annualization adjustments in amounts of \$1,790 for Aquarina – Potable, \$7,375 for Aquarina – Non-Potable, and \$6,596 for Aquarina – Wastewater.

O&M Adjustments Consistent with the Last Rate Case

Adjustments to bad debt expense are necessary for interim purposes in order to be consistent with the treatment in Aquarina’s last rate case. CSWR applied a 3-year averaging adjustment to bad debt expense for Aquarina. Upon review, staff determined that consistent with its prior rate case, Aquarina did not require a bad debt adjustment and recommends removing the requested adjustments. CSWR and staff’s recommended adjustments are detailed in the table below.

Table 1-5
3-Year Averaging Adjustment to Bad Debt – Water Systems

Utility	Utility Adjustment	Staff Adjustment
Aquarina – Potable	\$299	(\$299)
Aquarina – Non-Potable	\$299	(\$299)
Aquarina – Wastewater	\$432	(\$432)

Excessive Unaccounted Water

Staff reviewed the utility’s interim excessive unaccounted water (EUW) calculations, previous Commission decisions, and available usage data contained in CSWR’s MFR schedules. The Commission determined that Aquarina did not have any EUW for the potable water system in its prior rate case.⁹ However, based on the utility’s interim data, staff determined the Aquarina system to have an EUW of 29 percent. The non-potable well did not have a flow meter during the test year, so EUW could not be determined. Staff will continue to investigate this matter during the course of the rate case.¹⁰ Following the same methodology used in the last rate case, staff recommends applying the updated EUW percentages to the actual purchased power and chemicals expenses for Aquarina – Potable, resulting in a total reduction of \$1,481.

Infiltration & Inflow

Staff reviewed the utility’s interim excessive infiltration and inflow (I&I) calculations, previous Commission decisions,¹¹ and available usage data contained in CSWR’s MFR schedules. Using the methodology approved in the prior rate case and current conditions, staff is not recommending any I&I adjustments for interim purposes. While staff recommends no adjustment for interim purposes, the I&I for the Aquarina system will be investigated by staff during the course of this rate case.

⁹Order No. PSC-2016-0583-PAA-WS, issued December 29, 2016, in Docket No. 20150010-WS, *In re: Application for staff-assisted rate case in Brevard County by Aquarina Utilities, Inc.*; Document Nos. 04080-2025, 04993-2025, and 07961-2025, in Docket No. 20250052-WS, *In re: Application for increase in water and wastewater rates in Brevard, Citrus, Duval, Highlands, Marion, and Volusia Counties by CSWR-Florida Utility Operating Company.*

¹⁰Document No. 07961-2025, in Docket No. 20250052-WS, *In re: Application for increase in water and wastewater rates in Brevard, Citrus, Duval, Highlands, Marion, and Volusia Counties by CSWR-Florida Utility Operating Company.*

¹¹Order No. PSC-2016-0583-PAA-WS, issued December 29, 2016, in Docket No. 20150010-WS, *In re: Application for staff-assisted rate case in Brevard County by Aquarina Utilities, Inc.*

Earnings Analysis

Aquarina - Wastewater

Based on the adjustments outlined above, Aquarina – Wastewater reflected overearnings in the interim test year. Pursuant to Section 367.082(2)(b), F.S., in a proceeding for an interim decrease in rates, the Commission shall authorize the continued collection of the previously authorized rates; however, revenues collected under those rates that are sufficient to reduce the achieved rate of return to the maximum of the rate of return should be held subject to refund with interest. Although Aquarina – Wastewater’s rates indicate overearning, staff recommends the utility continue to collect its current rates, and hold subject to refund revenues collected under those rates that are sufficient to reduce the achieved rate of return to the maximum of the current rate of return, with interest. Over the full course of the rate case and potential rate consolidation, staff will evaluate the potential refund. As such, staff recommends that \$42,253 be held subject to refund for Aquarina – Wastewater.

Revenue Requirement

Staff is recommending revenue requirements consistent with the calculations required by Section 367.082, F.S. For those systems that appear to be underearning, the revenue requirements were determined using the minimum ROE limit. Consistent with the interim statute, staff used the maximum ROE limit for Aquarina – Wastewater, which appears to be overearning.

Based upon recovery of actual operating expenses for the year ended January 31, 2025, staff recommends that the utility be authorized to collect annual water revenues for Aquarina – Non-Potable in the amount of \$274,095, which is an increase of \$62,050, or 29.26 percent, over staff’s adjusted test year revenues of \$212,044. The utility also should be authorized to collect annual water revenues for Aquarina – Potable in the amount of \$194,053, which is an increase of \$9,820, or 5.33 percent, over staff’s adjusted test year revenues of \$184,233. Staff recommends no change to rates for Aquarina – Wastewater, with a total of \$42,253 held subject to refund.

According to Section 367.082, F.S., any refund should be calculated to reduce the rate of return of the utility during the pendency of the proceeding to the same level within the range of the newly authorized rate of return. Staff will evaluate each system’s post-consolidation revenue requirement to determine if any refunds should be made.

Issue 2: What are the appropriate interim water and wastewater rates?

Recommendation: The service rates for CSWR in effect as of January 31, 2025, should be increased as shown below to generate the recommended revenue increase for the interim period.

System	% Rate Increase
Aquarina – Potable	5.38%
Aquarina – Non-Potable	29.26%

The rates, as shown on Schedule No. 4, should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. The utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. In addition, the approved rates should not be implemented until the required security has been filed, staff has approved the proposed customer notice, and the notice has been received by the customers. The utility should provide proof of the date the notice was given within 10 days of the date of the notice. (Betha)

Staff Analysis: Staff recommends that interim service rates for CSWR be designed to allow the utility the opportunity to generate additional annual operating revenues as shown below for potable and non-potable water. The test year revenues were adjusted to annualize the rates in effect at the end of the test year. To determine the appropriate increase to apply to the service rates, miscellaneous revenues should be removed from the adjusted test year revenues for potable. The utility recorded miscellaneous services revenues of \$1,588 for its potable system. There were no miscellaneous revenues recorded for the non-potable system. The calculations are as follows:

Table 2-1
Potable Percentage Service Rate Increase

1	Total Test Year Revenues	\$184,233
2	Less: Miscellaneous Revenues	<u>\$1,588</u>
3	Test Year Revenues from Service Rates	\$182,645
4	Revenue Increase	<u>\$9,820</u>
5	Percentage Service Rate Increase (Line 4/Line 3)	5.38%

Source: Staff's Interim Recommended Revenue Requirement

Table 2-2
Non-Potable Percentage Service Rate Increase

1	Total Test Year Revenues	\$212,044
2	Less: Miscellaneous Revenues	<u>\$0</u>
3	Test Year Revenues from Service Rates	\$212,044
4	Revenue Increase	<u>\$62,050</u>
5	Percentage Service Rate Increase (Line 4/Line 3)	29.26%

Source: Staff's Interim Recommended Revenue Requirement

Consistent with Commission practice for interim rates, the above percentage increases should be applied as an across-the-board increase to the service rates in effect as of January 31, 2025. Due to a decrease in percentage, staff recommends that CSWR's Aquarina wastewater rates remain the same for interim purposes. However, as discussed in Issue 1, staff has recommended amounts to be held subject to refund for that system. Table 2-3 reflects the typical residential bill at the 5,000 gallon consumption level for the utility's current rates, proposed interim rates, and staff recommended interim rates.

Table 2-3
Typical Residential 5/8" x 3/4" Meter Bill Comparison
At 5,000 Gallons

System	Utility Current Rates	Utility Proposed Interim Rates	Staff Recommended Interim Rates
Aquarina – Potable	\$66.79	\$99.68	\$70.37
Aquarina – Non-Potable	\$19.97	\$29.82	\$25.81

The rates, as shown on Schedule No. 4, should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. The utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. In addition, the approved rates should not be implemented until the required security has been filed, staff has approved the proposed customer notice, and the notice has been received by the customers. The utility should provide proof of the date notice was given within 10 days of the date of the notice.

Issue 3: What is the appropriate security to guarantee the interim increase?

Recommendation: The appropriate security to guarantee the funds collected subject to refund is a corporate undertaking by CSWR, LLC, on behalf of its subsidiary, CSWR. CSWR, LLC should be required to provide a written guarantee that it will support a cumulative corporate undertaking on behalf of CSWR in the amount of \$2,429,866. (Quigley)

Staff Analysis: Pursuant to Section 367.082, F.S., revenues collected under interim rates shall be placed under bond, escrow, letter of credit, or corporate undertaking subject to refund with interest at a rate ordered by the Commission. As recommended in Issue 1, the total interim increase for Aquarina is \$71,871, with an additional \$42,253 being held subject to refund due to potential overearnings. In accordance with Rule 25-30.360, F.A.C., staff calculated the potential refund of revenues and interest collected under interim conditions to be \$96,830. This amount is based on an estimated 10-month collection period of interim rates. A corporate undertaking request for the interim request associated with its other systems, as approved by the Commission at the September Agenda Conference in the amount of \$2,333,036 is still pending. Including this amount and the current corporate undertaking request of \$96,830, the total cumulative outstanding guarantee is \$2,429,866, subject to refund.

The criteria for a corporate undertaking includes sufficient liquidity, equity ownership, and profitability to guarantee any potential refund. Staff reviewed CSWR, LLC's 2022, 2023, and 2024 confidential financial statements filed with the Commission to determine if CSWR can support a corporate undertaking for the requested amount.¹² Staff's analysis indicated that over the three-year period ending December 31, 2024, the utility's parent, CSWR, LLC, has insufficient profitability over the period, but has sufficient liquidity and equity ownership. The parent company has a substantial amount of cash available which is sufficient to support a cumulative corporate undertaking in the amount of \$2,429,866. Additionally, CSWR, LLC has positive working capital and its equity capital significantly exceeds the requested amount and is supported by an equity ratio that is greater than 50 percent.

Based on the analysis of CSWR, LLC's financial position, staff recommends that CSWR can support a cumulative corporate undertaking in the amount of \$2,429,866. Staff's recommendation is contingent upon CSWR, LLC providing a signed letter by a corporate officer that it will support CSWR in its corporate undertaking endeavor. Staff also received confirmation from the utility that it had no other outstanding guarantees on behalf of CSWR-owned utilities in other jurisdictions.¹³

This brief financial analysis is only appropriate for determining if CSWR, through its parent, can support a corporate undertaking in the amount proposed and should not be considered a finding regarding staff's position on other issues in this proceeding. In no instance should maintenance and administrative costs associated with any refund be borne by the customers. Such costs are the responsibility of, and should be borne by CSWR.

¹²Document No. 05250-2025, filed on June 26, 2025.

¹³Document No. 07685-2025, filed on August 8, 2025.

Pursuant to Rule 25-30.360(6), F.A.C., the utility should provide a report by the 20th day of each month indicating the monthly and total revenue collected subject to refund. Should a refund be required, the refund should be with interest and undertaken in accordance with Rule 25-30.360, F.A.C.

Issue 4: Should this docket be closed?

Recommendation: The docket should remain open pending the Commission's final action on the utility's requested rate increase. (Dose)

Staff Analysis: The docket should remain open pending the Commission's final action on the utility's requested rate increase.

Aquarina Schedule of Potable Water Rate Base Test Year Ended 1/31/25			Schedule No. 1-A Docket No. 20250052-WS		
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year
1 Plant in Service	\$1,832,238	(\$588,023)	\$1,244,215	\$588,548	\$1,832,763
2 Land and Land Rights	83,093	0	83,093	0	83,093
3 Non-used and Useful Components	0		0	43,454	43,454
4 Accumulated Depreciation	(1,310,526)	465,147	(845,379)	(468,392)	(1,313,771)
5 CIAC	(421,159)	0	(421,159)	47,636	(373,523)
6 Accumulated Amortization of CIAC	280,041	0	280,041	(34,375)	245,666
7 Acquisition Adjustment	1,145,736	0	1,145,736	(1,145,736)	0
8 Advances for Construction	0	0	0	0	0
9 Working Capital Allowance	0	122	122	11,882	12,004
10 Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11 Rate Base	<u>\$1,609,423</u>	<u>(\$122,754)</u>	<u>\$1,486,669</u>	<u>(\$956,983)</u>	<u>\$529,686</u>

Aquarina Schedule of Non-Potable Water Rate Base Test Year Ended 1/31/25			Schedule No. 1-A Docket No. 20250052-WS		
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year
1 Plant in Service	\$1,168,579	(\$397,935)	\$770,644	\$397,787	\$1,168,431
2 Land and Land Rights	27,487	0	27,487	0	27,487
3 Non-used and Useful Components	0	0	0	61,163	61,163
4 Accumulated Depreciation	(876,958)	333,502	(543,456)	(334,905)	(878,361)
5 CIAC	0	0	0	(47,636)	(47,636)
6 Accumulated Amortization of CIAC	0	0	0	34,963	34,963
7 Net Debit Deferred Income Taxes	0	0	0	0	0
8 Acquisition Adjustment	863,567	0	863,567	(863,567)	0
9 Working Capital Allowance	0	243	243	24,091	24,334
10 Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11 Rate Base	<u>\$1,182,675</u>	<u>(\$64,190)</u>	<u>\$1,118,485</u>	<u>(\$728,104)</u>	<u>\$390,381</u>

Aquarina Schedule of Wastewater Rate Base Test Year Ended 1/31/25			Schedule No. 1-B Docket No. 20250052-WS		
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year
1 Plant in Service	\$1,227,079	(\$440,349)	\$786,730	\$448,523	\$1,235,253
2 Land and Land Rights	67,076	0	67,076	0	67,076
3 Non-used and Useful Components	0	0	0	54,220	54,220
4 Accumulated Depreciation	(742,009)	269,059	(472,950)	(629,006)	(1,101,956)
5 CIAC	(612,495)	0	(612,495)	0	(612,495)
6 Accumulated Amortization of CIAC	524,294	0	524,294	847	525,141
7 Acquisition Adjustment	306,986	0	306,986	(306,986)	0
8 Advances for Construction	0	0	0	0	0
9 Working Capital Allowance	0	264	264	26,145	26,409
10 Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11 Rate Base	<u>\$770,931</u>	<u>(\$171,026)</u>	<u>\$599,905</u>	<u>(\$406,257)</u>	<u>\$193,648</u>

Aquarina Adjustments to Potable and Wastewater Rate Base Test Year Ended 1/31/25		Schedule No. 1-C Docket No. 20250052-WS	
Explanation	Water	Wastewater	
<u>Plant In Service</u>			
To reflect simple average.	<u>\$588,548</u>	<u>\$448,523</u>	
<u>Non-used and Useful</u>			
To reflect net non-used and useful adjustment.	<u>\$43,454</u>	<u>\$54,220</u>	
<u>Accumulated Depreciation</u>			
To reflect simple average.	<u>(\$468,392)</u>	<u>(\$629,006)</u>	
<u>CIAC</u>			
To reflect appropriate amount for non-potable system.	<u>\$47,636</u>	<u>\$0</u>	
<u>Accumulated Amortization of CIAC</u>			
1 To reflect simple average.	\$588	\$847	
2 To reflect appropriate amount for non-potable system.	<u>(34,963)</u>	<u>0</u>	
To reflect simple average.	<u>(\$34,375)</u>	<u>\$847</u>	
<u>Acquisition Adjustment</u>			
To remove acquisition adjustment.	<u>(\$1,145,736)</u>	<u>(\$306,986)</u>	
<u>Working Capital</u>			
To reflect 1/8 of O&M expenses.	<u>\$11,882</u>	<u>\$26,145</u>	

Aquarina Adjustments to Non-Potable Rate Base Test Year Ended 1/31/25	Schedule No. 1-C Docket No. 20250052-WS
Explanation	Water
<u>Plant In Service</u> To reflect simple average.	<u>\$397,787</u>
<u>Non-used and Useful</u> To reflect net non-used and useful adjustment.	<u>\$61,163</u>
<u>Accumulated Depreciation</u> To reflect simple average.	<u>(\$334,905)</u>
<u>CIAC</u> To reflect appropriate amount for non-potable system.	<u>(\$47,636)</u>
<u>Accumulated Amortization of CIAC</u> To reflect appropriate amount for non-potable system.	<u>\$34,963</u>
<u>Acquisition Adjustment</u> To remove acquisition adjustment.	<u>(\$863,567)</u>
<u>Working Capital</u> To reflect appropriate methodology.	<u>\$24,091</u>

Aquarina Capital Structure - Simple Average Test Year Ended 1/31/25						Schedule No. 2 Docket No. 20250052-WS		
Description	Total Capital	Specific Adjust- ments	Subtotal Adjusted Capital	Prorata Adjust- ments	Capital Reconciled to Rate Base	Ratio	Cost Rate	Weighted Cost
Per Utility								
1 Long-term Debt	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%
2 Short-term Debt	37,807	0	37,807	0	37,807	1.18%	8.50%	0.10%
3 Preferred Stock	0	0	0	0	0	0.00%	0.00%	0.00%
4 Common Equity	3,485,277		3,485,277	(318,025)	3,167,251	98.82%	8.77%	8.67%
5 Customer Deposits	0	0	0	0	0	0.00%	0.00%	0.00%
6 Deferred Income Taxes	0	0	0	0	0	0.00%	0.00%	0.00%
10 Total Capital	<u>\$3,523,084</u>	<u>\$0</u>	<u>\$3,523,084</u>	<u>(\$318,025)</u>	<u>\$3,205,059</u>	<u>100.00%</u>		<u>8.77%</u>
Per Staff - Bottom of the Range								
11 Long-term Debt	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%
12 Short-term Debt	37,807	76,247	114,055	(78,469)	35,585	3.19%	8.50%	0.27%
13 Preferred Stock	0	0	0	0	0	0.00%	0.00%	0.00%
14 Common Equity	3,485,277	(29,053)	3,456,224	(2,377,875)	1,078,349	96.81%	7.55%	7.31%
15 Customer Deposits	0	0	0	0	0	0.00%	0.00%	0.00%
16 Deferred Income Taxes	0	0	0	0	0	0.00%	0.00%	0.00%
20 Total Capital	<u>\$3,523,084</u>	<u>\$47,194</u>	<u>\$3,570,279</u>	<u>(\$2,456,344)</u>	<u>\$1,113,934</u>	<u>100.00%</u>		<u>7.58%</u>
Per Staff - Top of the Range								
11 Long-term Debt	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%
12 Short-term Debt	37,807	76,247	114,055	(78,469)	35,585	3.19%	8.50%	0.27%
13 Preferred Stock	0	0	0	0	0	0.00%	0.00%	0.00%
14 Common Equity	3,485,277	(29,053)	3,456,224	(2,377,875)	1,078,349	96.81%	9.55%	9.25%
15 Customer Deposits	0	0	0	0	0	0.00%	0.00%	0.00%
16 Deferred Income Taxes	0	0	0	0	0	0.00%	0.00%	0.00%
20 Total Capital	<u>\$3,523,084</u>	<u>\$47,194</u>	<u>\$3,570,279</u>	<u>(\$2,456,344)</u>	<u>\$1,113,934</u>	<u>100.00%</u>		<u>9.52%</u>
						LOW	HIGH	
RETURN ON EQUITY						<u>7.55%</u>	<u>9.55%</u>	
OVERALL RATE OF RETURN						<u>7.58%</u>	<u>9.52%</u>	

Aquarina Statement of Potable Water Operations Test Year Ended 1/31/25				Schedule No. 3-A Docket No. 20250052-WS			
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1 Operating Revenues:	<u>\$143,514</u>	<u>\$139,180</u>	<u>\$282,694</u>	<u>(\$98,461)</u>	<u>\$184,233</u>	<u>\$9,820</u> 5.33%	<u>\$194,053</u>
Operating Expenses							
2 Operation & Maintenance	\$97,513	\$2,088	\$99,601	(\$3,570)	\$96,031	\$0	\$96,031
3 Depreciation	30,665	0	30,665	(1,447)	29,218	0	29,218
4 Amortization	0	0	0	0	0	0	0
5 Taxes Other Than Income	14,081	4,953	19,034	(3,974)	15,060	442	15,502
6 Income Taxes	<u>0</u>	<u>35,338</u>	<u>35,338</u>	<u>(24,570)</u>	<u>10,768</u>	<u>2,377</u>	<u>13,145</u>
7 Total Operating Expense	<u>142,259</u>	<u>42,379</u>	<u>184,638</u>	<u>(33,561)</u>	<u>151,077</u>	<u>2,819</u>	<u>153,895</u>
8 Operating Income	<u>\$1,255</u>	<u>\$96,801</u>	<u>\$98,056</u>	<u>(\$64,900)</u>	<u>\$33,156</u>	<u>\$7,002</u>	<u>\$40,158</u>
9 Rate Base	<u>\$1,609,423</u>		<u>\$1,486,669</u>		<u>\$529,686</u>		<u>\$529,686</u>
10 Rate of Return	<u>0.08%</u>		<u>6.60%</u>		<u>6.26%</u>		<u>7.58%</u>

Aquarina Statement of Non-Potable Water Operations Test Year Ended 1/31/25				Schedule No. 3-A Docket No. 20250052-WS			
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1 Operating Revenues:	<u>\$301.090</u>	<u>\$70.965</u>	<u>\$372.055</u>	<u>(\$160.011)</u>	<u>\$212.044</u>	<u>\$62.050</u> 29.26%	<u>\$274.095</u>
Operating Expenses							
2 Operation & Maintenance	194.671	7.674	202.345	(7.674)	194.671	0	194,671
3 Depreciation	19,521	0	19,521	(1,674)	17,847	0	17,847
4 Amortization	0	0	0	0	0	0	0
5 Taxes Other Than Income	24,067	2,123	26,190	(6,690)	19,500	2,792	22,292
6 Income Taxes	<u>0</u>	<u>25,943</u>	<u>25,943</u>	<u>(31,274)</u>	<u>(5,331)</u>	<u>15,019</u>	<u>9,688</u>
7 Total Operating Expense	<u>238,259</u>	<u>35,740</u>	<u>273,999</u>	<u>(47,312)</u>	<u>226,687</u>	<u>17,811</u>	<u>244,498</u>
8 Operating Income	<u>62,831</u>	<u>35,225</u>	<u>98,056</u>	<u>(112,699)</u>	<u>(14,643)</u>	<u>44,239</u>	<u>29,596</u>
9 Rate Base	<u>1,182,675</u>	0	<u>1,118,485</u>	0	<u>390,381</u>	0	<u>390,381</u>
10 Rate of Return	<u>5.31%</u>	0	<u>8.77%</u>	0	<u>-3.75%</u>	0	<u>7.58%</u>

Aquarina Statement of Wastewater Operations Test Year Ended 1/31/25				Schedule No. 3-B Docket No. 20250052-WS			
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1 Operating Revenues:	<u>\$255,100</u>	<u>\$51,655</u>	<u>\$306,755</u>	<u>(\$10,487)</u>	<u>\$296,268</u>	<u>(\$42,253)</u> -14.26%	<u>\$254,016</u>
Operating Expenses							
2 Operation & Maintenance	\$211,275	\$7,027	\$218,302	(\$7,028)	\$211,274	\$0	\$211,274
3 Depreciation	5,447	(7,244)	(1,797)	1,250	(547)	0	(547)
4 Amortization	0	0	0	0	0	0	0
5 Taxes Other Than Income	21,150	(388)	20,762	(81)	20,681	(1,901)	18,779
6 Income Taxes	<u>0</u>	<u>0</u>	<u>16,897</u>	<u>(591)</u>	<u>16,306</u>	<u>(10,227)</u>	<u>6,079</u>
7 Total Operating Expense	<u>237,872</u>	<u>(605)</u>	<u>254,164</u>	<u>(6,451)</u>	<u>247,713</u>	<u>(12,128)</u>	<u>235,585</u>
8 Operating Income	<u>\$17,228</u>	<u>\$52,260</u>	<u>\$52,591</u>	<u>(\$4,036)</u>	<u>\$48,555</u>	<u>(\$30,124)</u>	<u>\$18,431</u>
9 Rate Base	<u>\$770,931</u>		<u>\$599,905</u>		<u>\$193,648</u>		<u>\$193,648</u>
10 Rate of Return	<u>2.23%</u>		<u>8.77%</u>		<u>25.07%</u>		<u>9.52%</u>

Aquarina		Schedule 3-C	
Adjustment to Potable and Wastewater Operating Income		Docket No. 20250052-WS	
Test Year Ended 1/31/25			
Explanation	Water	Wastewater	
<u>Operating Revenues</u>			
1 Remove requested final revenue increase.	(\$139,180)	(\$51,655)	
2 To reflect the appropriate amount of annualized revenues.	<u>40,719</u>	<u>41,168</u>	
Total	<u>(\$98,461)</u>	<u>(\$10,487)</u>	
<u>Operation and Maintenance Expense</u>			
1 To remove requested annualization adjustments.	(\$1,790)	(\$6,596)	
2 To remove bad debt expense adjustment.	(299)	(432)	
3 To reflect EUW adjustments.	<u>(1,481)</u>	<u>0</u>	
Total	<u>(\$3,570)</u>	<u>(\$7,028)</u>	
<u>Depreciation Expense - Net</u>			
1 To reflect net depreciation on non-U&U adjustment.	(\$3,032)	\$1,250	
2 To reflect CIAC amortization for non-potable system.	<u>1,584</u>	<u>0</u>	
Total	<u>(\$1,447)</u>	<u>1,250</u>	
<u>Taxes Other Than Income</u>			
1 RAFs on revenue adjustments above.	(\$4,431)	(\$472)	
2 To reflect property tax on non-U&U adjustment.	<u>457</u>	<u>391</u>	
Total	<u>(\$3,974)</u>	<u>(\$81)</u>	

Aquarina Adjustment to Non-Potable Operating Income Test Year Ended 1/31/25		Schedule 3-C Docket No. 20250052-WS
Explanation		Water
<u>Operating Revenues</u>		
1 Remove requested final revenue increase.		(\$70,965)
2 To reflect the appropriate amount of annualized revenues.		<u>(89,046)</u>
Total		<u>(\$160,011)</u>
<u>Operation and Maintenance Expense</u>		
1 To remove annualization of expenses.		(\$7,375)
2 To remove bad debt.		<u>(299)</u>
Total		<u>(\$7,674)</u>
<u>Depreciation Expense - Net</u>		
1 To remove net depreciation on non-U&U adjustment above.		(\$90)
2 To reflect CIAC amortization for non-potable system.		<u>(1,584)</u>
Total		<u>(\$1,674)</u>
<u>Taxes Other Than Income</u>		
1 RAFs on revenue adjustments above.		(\$7,200)
2 To reflect property tax on non-U&U adjustment.		<u>510</u>
Total		<u>(\$6,690)</u>

CSWR-FLORIDA UTILITY OPERATING COMPANY, LLC. (AQUARINA)			SCHEDULE NO. 4
TEST YEAR ENDED JANUARY 31, 2025			DOCKET NO. 20250052-WS
MONTHLY WATER RATES			
	UTILITY CURRENT RATES	UTILITY PROPOSED INTERIM RATES	STAFF RECOMMENDED INTERIM RATES
<u>Residential and General Service (Potable)</u>			
Base Facility Charge by Meter Size			
5/8"X3/4"	\$23.74	\$35.43	\$25.02
3/4"	\$35.61	\$53.15	\$37.53
1"	\$59.35	\$88.58	\$62.55
1-1/2"	\$118.70	\$177.16	\$125.10
2"	\$189.92	\$283.46	\$200.16
3"	\$379.84	\$531.49	\$400.32
4"	\$593.50	\$885.82	\$625.50
6"	\$1,187.00	\$1,771.64	\$1,251.00
Charge per 1,000 gallons - Residential and General Service	\$8.61	\$12.85	\$9.07
<u>Irrigation Service (Non-Potable)</u>			
Base Facility Charge by Meter Size			
5/8"X3/4"	\$11.77	\$17.57	\$15.21
3/4"	\$17.66	\$26.35	\$22.82
1"	\$29.43	\$43.92	\$38.03
1-1/2"	\$58.85	\$87.84	\$76.05
2"	\$94.16	\$140.54	\$121.68
3"	\$205.98	\$263.51	\$266.18
4"	\$294.26	\$439.18	\$380.25
6"	\$588.51	\$878.36	\$760.50
8"	\$1,059.32	\$1,405.37	\$1,368.90
Charge per 1,000 gallons - Irrigation Service	\$1.64	\$2.45	\$2.12
<u>Typical Residential 5/8" x 3/4" Meter Bill Comparison</u>			
3,000 Gallons	\$49.57	\$73.98	\$52.23
5,000 Gallons	\$66.79	\$99.68	\$70.37
10,000 Gallons	\$109.84	\$163.93	\$115.72
<u>Typical Irrigation 5/8" x 3/4" Meter Bill Comparison</u>			
3,000 Gallons	\$16.69	\$24.92	\$21.57
5,000 Gallons	\$19.97	\$29.82	\$25.81
10,000 Gallons	\$28.17	\$42.07	\$36.41