BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In re: DOCKET NO. 20250003-GU

Purchased gas adjustment (PGA) true-up.
_______________________________________/

VOLUME 1
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PROCEEDINGS: HEARING

COMMISSIONERS PARTICIPATING:
CHAIRMAN MIKE LA ROSA
COMMISSIONER ART GRAHAM
COMMISSIONER GARY F. CLARK
COMMISSIONER ANDREW GILES FAY
COMMISSIONER GABRIELLA PASSIDOMO SMITH

DATE: Tuesday, November 4, 2025

TIME: Commenced: 11:45 a.m.
Concluded: 12:15 p.m.

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: DEBRA R. KRICK
Court Reporter

PREMIER REPORTING
TALLAHASSEE, FLORIDA
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COUNSEL OF RECORD FOR APPEARANCES:

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BETH KEATING, ESQUIRE, Gunster Law Firm, 215 South Monroe Street, Suite 601, Tallahassee, Florida 32301; appearing on behalf of Florida Public Utilities Company (FPUC), and Florida City Gas (FCG).

WALT TRIERWEILER, PUBLIC COUNSEL; CHARLES REHWINKEL, DEPUTY PUBLIC COUNSEL; OFFICE OF PUBLIC COUNSEL, c/o The Florida Legislature, 111 West Madison Street, Room 812, Tallahassee, FL 32399-1400, appearing on behalf of the Citizens of the State of Florida (OPC).

ZACHARY BLOOM, ESQUIRE, FPSC General Counsel's Office, 2540 Shumard Oak Boulevard, Tallahassee, FL 32399-0850, appearing on behalf of the Florida Public Service Commission (Staff).

ADRIA HARPER, GENERAL COUNSEL; MARY ANNE HELTON, DEPUTY GENERAL COUNSEL, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, Advisor to the Florida Public Service Commission.

I N D E X

EXHIBITS

NUMBER:		ID	ADMITTED
1	Comprehensive Exhibit List	54	54
2-20	As identified in the CEL	54	54

P R O C E E D I N G S

CHAIRMAN LA ROSA: Let's go ahead and move over to the 03 docket.

MR. BLOOM: Staff notes for the record that St. Joe Natural Gas has been excused from participating in this proceeding.

I understand the parties are waiving opening statements and briefs for this docket. There are proposed Type 2 stipulations on all issues, with the intervenors not objecting. These can be voted on today.

Finally, all witnesses have been excused from this proceeding. Their testimony and exhibits may be entered into the record as though read when appropriate.

CHAIRMAN LA ROSA: Thank you, Mr. Bloom.

Does that sound accurate? Any other preliminary matters that need to be addressed?

Okay. Seeing none, let's go ahead and move to prefiled testimony.

MR. BLOOM: We would ask that the prefiled testimony of all witnesses identified in Section 6 of the Prehearing Order, which is on page four, be moved into the record at this time.

CHAIRMAN LA ROSA: Okay. Then the list of prefiled testimony then will be moved into the record without seeing any objection.

(Whereupon, prefiled direct testimony of Diana Williams was inserted.)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20250003-GU: PURCHASED GAS ADJUSTMENT (PGA) TRUE-UP

Direct (Final True Up) Testimony of Diana Williams
On Behalf of
Florida Public Utilities Company and Florida City Gas

Q. Please state your name and business address.

A. Diana Williams, 500 Energy Lane, Dover, Delaware, 19901.

Q. By whom are you employed and in what capacity?

A. I am employed by Chesapeake Utilities Corporation ("CUC") as Regulatory Analyst. Chesapeake Utilities is the parent company of Florida Public Utilities Company ("FPUC") and Florida City Gas ("FCG"), (herein referred to jointly as the "Companies").

Q. Briefly state your education background and employment experience.

A. I received a Bachelor's degree in Finance and Banking and Master's degree in Applied Finance from Bucharest Academy of Economic Studies. After graduation, I worked as an external auditor for Ernst & Young assisting in the financial statement audit reviews. In March 2021 I joined CUC in the Internal Audit Department. I transferred to the Regulatory Department in November 2024, where my responsibilities include preparing various filings such as; Purchased Gas Adjustment, Earnings Surveillance Reports, Swing Service, Gas Conservation and Gas Utility Access and Replacement Directive before the Florida Public Service Commission.

Q. Have you testified before this or any other Commission?

A. No.

Q. What is the purpose of your testimony at this time?

A. To advise the Commission of the Companies consolidated actual over/under recovery of the Purchased Gas Adjustment for the period January 1, 2024 through December 31, 2024, as compared to the consolidated true-up amount previously reported for that period which was based on six months actual and six months estimated.

Q. Please state the actual consolidated amount of over/under recovery of the Purchased Gas Adjustment for January 1, 2024 through December 31, 2024.

A. During January 2024 through December 2024, the Companies under-recovered $4,885,796.

Q. How does this amount compare with the estimated consolidated true-up amount, which was allowed by the Commission during the November 2024 hearing?

A. As recognized in Order No. PSC-2024-0480-FOF-GU, in Docket No. 20240003-GU, the Companies had an anticipated under-recovery of $4,156,132 based upon six months of actual and six months of projected data.

Q. Have you prepared any exhibits at this time?

A. I prepared and pre-filed composite Exhibit DW-1, containing Schedule A-7, Final PGA Over/Under Recovery for the Period January 2024 through December 2024.

Q. Does this conclude your testimony?

A. Yes.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20250003-GU - In Re: Purchased Gas Adjustment (PGA) True-Up.

(Actual/Estimated and Projections)

DIRECT TESTIMONY

OF DIANA WILLIAMS

On behalf of Florida Public Utilities Company & Florida City Gas

Q. Please state your name and business address.

A. Diana Williams, 500 Energy Lane, Dover, Delaware, 19901.

Q. By whom are you employed and in what capacity?

A. I am employed by Chesapeake Utilities Corporation ("CUC") as Regulatory Analyst. Chesapeake Utilities is the parent company of Florida Public Utilities Company ("FPUC") and Florida City Gas ("FCG"), (herein referred to jointly as the "Companies").

Q. Can you please provide a brief overview of your educational and employment background?

A. I received a Bachelor's degree in Finance and Banking and Master's degree in Applied Finance from Bucharest Academy of Economic Studies. After graduation, I worked as an external auditor for Ernst & Young assisting in the financial statement audit reviews. In March 2021 I joined CUC in the Internal Audit Department. I transferred to the Regulatory Department in November 2024, where my responsibilities include preparing various filings such as; Purchased Gas Adjustment, Earnings Surveillance Reports, Swing Service, Gas Conservation and Gas Utility Access and Replacement Directive before the Florida Public Service Commission.

Q. Are you familiar with the Purchased Gas Adjustment (PGA) clause of the Company?

A. Yes.

Q. Have you ever testified in the PGA Docket before?

A. Yes.

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

A. My testimony will establish a consolidated PGA "true-up" collection amount, based on actual January 2025 through June 2025 data and projected July 2025 through December 2025 data for Florida Public Utilities Company ("FPUC") and Florida City Gas ("FCG") (herein referred to jointly as the "Companies"). My testimony will summarize the consolidated computations that are contained in Exhibit DW-2 supporting the January through December 2026 projected consolidated PGA recovery (cap) factor for FPUC & FCG.

Q. Which schedules have you included in your Exhibit DW-2?

A. The Companies have previously filed True-Up schedules A-1, A-2, A-3, A-4, A-5, A-6 and A-7 in this proceeding. Exhibit DW-2, which is included with my testimony, contains the consolidated Schedules E-1, E-1/R, E-2, E-3, E-4, and E-5 for the Companies. These schedules support the calculation of the PGA recovery (cap) factor for January through December 2026 and were prepared this period by combining the costs for both FPUC and FCG.

Q. Have there been any changes in the PGA filing compared to the prior year?

A. No.

Q. Were these schedules completed by you or under your supervision?

A. Yes, these schedules were completed by me.

Q. What is the projection period for this filing?

A. The projection period is January through December 2026.

Q. What is the appropriate consolidated final PGA true-up amount for the period January through December 2024?

A. As shown on the consolidated Schedule E-4 of Exhibit DW-2, the final consolidated PGA true-up amount for the period January through December 2024 is an under-recovery of ($729,664) inclusive of interest.

Q. What is the consolidated projected PGA true-up amount for the period January through December 2025?

A. As also shown on consolidated Schedule E-4 of Exhibit DW-2, the projected PGA true-up amount is an over-recovery of $1,318,472 inclusive of interest, for the period January through December 2025.

Q. What is the total projected PGA true-up amount to be collected from or refunded to customers for the period January through December 2026?

A. As shown on Schedule E-4 of Exhibit DW-2, the total consolidated net over-recovery to be refunded for the period January through December 2026 is $588,808.

Q. What is the appropriate consolidated PGA recovery (cap) factor for the period January through December 2026?

A. As shown on Schedule E-1 of Exhibit DW-2, the consolidated PGA recovery (cap) factor is **127.69¢** per therm for the period January through December 2026.

Q. What should be the effective date of the PGA recovery (cap) factor for

billing purposes?

A. The consolidated PGA recovery (cap) factor should be effective for all meter readings applying to the period of January 1, 2026 through December 31, 2026.

Q. Does this conclude your testimony?

A. Yes.

(Whereupon, prefiled direct testimony of Jeffrey B. Bates was inserted.)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20250003-GU - In Re: Purchased Gas Adjustment (PGA) True-Up.

(Actual/Estimated and Projections)

DIRECT TESTIMONY

OF JEFFREY B BATES

On behalf of Florida Public Utilities Company and Florida City Gas

Q. Please state your name and business address.

A. My name is Jeffrey Bates. My business address is 331 W. Central Ave, Suite 238, Winter Haven, FL 33880.

Q. By whom are you employed and in what capacity?

A. I am employed by Florida Public Utilities Company ("FPUC" or "Company") as a Senior Energy Logistics Analyst.

Q. Can you please provide a brief overview of your educational and employment background?

A. I graduated from Delaware State University in 1994 with a Bachelor's of Science degree in Accounting. I graduated from Wilmington University in 1999 with a Masters of Business Administration. I have been employed by FPUC since January of 1996.

Q. Are you familiar with the Purchased Gas Adjustment (PGA) clause of the Company and the associated projected and actual revenues and costs?

A. Yes.

Q. Have you ever testified before the Florida Public Service Commission ("FPSC")?

A. Yes.

Q. Are you sponsoring any Exhibits in this case?

A. No. Numerical references made in my testimony relate to Exhibit DW-2 being sponsored by Diana Williams.

Q. Have there been any changes in the PGA filing compared to the prior year?

No.

Q. Please describe how the forecasts of pipeline charges and commodity costs of gas were developed for the projection period.

A. The purchases for the gas cost projection model are based on projected sales to traditional non-transportation service customers. Florida Gas Transmission Company's ("FGT") FTS-1, FTS-2, FTS-3, NNTS-1, and ITS-1 Gulfstream Natural Gas, and the Florida Southeast Connection ("FSC") effective charges (including surcharges) and fuel rates, based on the prices from the FGT, Gulfstream posted rates and FSC rates from a precedent agreement. These were used for the entire projection period. As is further explained herein, the Company has also included costs related to the various expansion projects in the counties of Palm Beach, Polk and Nassau. FPUC has entered into an Asset Management Agreement ("AMA") with Emera Energy to help facilitate the delivery of natural gas in the northeast division. Also, the Company has included costs related to compressed and liquified natural gas used to bring supply to areas as a virtual pipeline for emergency and planned services. The expected costs of natural gas purchased by the Company during the projection period were developed using actual prices paid during relevant historical periods and the Henry Hub natural gas futures settlements provided by the Nymex plus the locational basis settlements at FGT Zone 3 provided by Intercontinental Exchange through the end of the projection period. The forecasts of the commodity costs were then adjusted to reflect the unexpected potential market increases in the projection period.

Q. Please describe how the forecasts of the weighted average cost of gas are developed for the projection period.

A. The Company has forecasted the 2026 weighted average cost of gas using the projected monthly pipeline demand costs, less the projected cost of capacity temporarily relinquished to third parties, the projected pipeline usage and no-notice costs and the projected supplier commodity costs. The weighted average cost of gas also includes projected costs related to our purchased gas functions and anticipated a credit for the swing service rider and transportation balancing charge. The sum of these costs is then divided by the projected therm sales to the traditional non-transportation customers resulting in the projected weighted average cost of gas and ultimately the PGA recovery (cap) factor, as shown on Schedule E-1. Capacity shortfall if any, would be satisfied by gas and capacity repackaged and delivered by another FGT, or Gulfstream capacity holder. If other services become available and it is economic to dispatch supplies under those services, the Company will utilize those services as part of its portfolio.

Q. Are the pipeline capacity and supply costs associated with expansions appropriate for recovery in the PGA docket?

A. Yes. Historically, the Commission has allowed recovery, through the clause, of upstream transmission pipeline capacity, transportation and related supply costs associated with service expansions to new areas.

Q. Did you include costs of other expansions or interconnects related to Florida Public Utilities Company and Florida City Gas in the calculations of your true-up and projected amounts?

A. Yes. There is a Local Distribution Company ("LDC") to LDC interconnect with TECO/PGS and FPUC (former CFG facilities) for pressure stabilization of FPUC's system in Hernando County. There is also an interconnection to FPUC's facilities for Gulfstream's Baseball City Gate southward through Davenport and Haines City and the expansion into Escambia County. There is an interconnection to FPUC's facilities from a new Gulfstream gate station in Auburndale. There are additional expansion projects and reinforcement projects that will enhance delivery in Hillsborough and Polk counties serving FPUC customers. The East Coast Reinforcement Projects will increase supply capability and enhance reliability to FPUC's service territories in Boynton Beach and New Smyrna Beach. There are multi-phase expansion projects in Nassau County that will serve FPUC Residential and Commercial customers. Finally, there is are expansion project in the area of St Cloud, Plant City, and Lake Mattie, Florida that will serve projected growth for FPUC customers. Additionally, for FCG, the Indian River, Pioneer Supply Header, Brevard and Medley reinforcement and expansion projects.

Q. Please explain the Swing Service Rider and Transportation Balancing Charge.

A. On April 11, 2016, Docket No. 20160085-GU, Florida Public Utilities, CFG, Florida Public Utilities Indiantown and Ft. Meade Divisions ("FPUC") the Companies) filed a joint petition for approval of the Swing Service Rider with this Commission. The Swing Service Rider proposed that the allocation of all costs be expanded to include transportation service customers on FPUC's system (i.e., customers who are not part of the current PGA mechanism) as well as shippers that are not part of the TTS pools. The Companies believe that these customers ultimately should bear their fair portion of the intrastate capacity costs. However, the Companies recognize that shippers for the larger classes of customers provide a service under contracts that will likely need to be amended to adjust for the revised cost allocations and systems need to be implemented to allow for billing of these charges to transportation customers and/or shippers. This petition was approved September 2016, Order No. PSC-2016-0422-TRF-GU. In a similar way per March 2024, Order No. PFSC-2024-0076-TRF-GU FCG allocates the incremental portion of the capacity and storage costs to the Transportation Customers.

Q. What is the effect of Swing Service Rider and Tranporation Balancing Charge on PGA costs?

A. As shown on Schedule E-1, the Companies have reduced PGA costs of $28,915,640 attributable to the Swing Service Rider and Transporation Balancing Charge allocated to certain gas transportation customers.

Q. Have the appropriate related costs and credits been included in the Projections for 2026?

A. Yes, as more specifically reflected in Schedule E-1 and E-3 of Exhibit DW-2, the Companies have included the costs of existing and planned interstate and intrastate capacity agreements, as well as the costs associated with the Swing Service Rider as described above.

Q. Did you include costs in addition to the costs specific to purchased gas in the calculations of your true-up and projected amounts?

A. Yes, included with our purchased gas costs are consulting and legal expenses to assist in the advancement of our PGA processes. Additionally, the Company has included costs associated with a software tool used by the Company to manage customer usage and assist in determining the gas supply needs for the rate classes subject to the PGA. This new system went live in May of 2022. These costs directly influence the Company's PGA factor and are appropriate for recovery through the PGA clause. Also, in addition to these costs, there is a level of payroll and departmental expenses included for employees directly involved in the PGA process, which is similar to payroll included in the Companies conservation clauses.

Q. Please explain how these costs were determined to be recoverable under the PGA clause.

A. The costs the Company has included are integrally related to the gas purchase function and were not anticipated or included in the cost levels used to establish the current base rates. These costs relate to the Company's optimization of fuel supply in an effort to protect current fuel savings, and directly benefit our customers. These costs have historically been allowed for recovery through the PGA and are not being recovered through the Companies' base rates.

Q. What is the projection period for this filing?

A. The projection period is January through December 2026.

Q. Does this conclude your testimony?

A. Yes.

(Whereupon, prefiled direct testimony of Matthew E. Elliott was inserted.)

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 2020003-GU
IN RE: PURCHASED GAS ADJUSTMENT (PGA)
TRUE-UP BY PEOPLES GAS SYSTEM, INC.

TESTIMONY AND EXHIBIT
OF
MATTHEW E. ELLIOTT

FILED: MAY 1, 2025

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

PREPARED DIRECT TESTIMONY

OF

MATTHEW E. ELLIOTT

Q. Please state your name and business address.

A. My name is Matthew E. Elliott. My business address is 702 North Franklin Street, Tampa, Florida 33602.

Q. By whom are you employed and in what capacity?

A. I am employed by Peoples Gas System, Inc. ("Peoples" or the "company") as Manager, Regulatory Affairs having held that position since 2021.

Q. Please summarize your educational background and professional qualifications.

A. I graduated from the University of South Florida in 1999 with a Bachelor of Arts degree in Business Administration with a concentration in accounting. I completed a fifth year of accounting credits at University of South Florida in 2012 and was licensed as a Certified Public Account in the State of Florida in June 2013. My work experience includes seventeen years of gas and electric utility experience. My utility work has included various positions in Corporate Tax, Audit Services, Pipeline Compliance, Safety, and Regulatory Affairs. In my current position, I am responsible for Peoples' Purchased Gas Adjustment ("PGA") Clause, Natural Gas Energy Conservation Cost Recovery Clause and Cast-Iron Bare Steel Replacement Rider, as well as various other regulatory activities at Peoples.

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

A. The purpose of my testimony is to present for the Florida Public Service Commission's ("Commission") review and approval the true-up of the company's actual PGA costs incurred during the January through December 2024 period.

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

A. Yes. I have caused to be prepared as Exhibit MEE-1, entitled "People Gas System, Inc., January 2024 through December 2024: Schedule A-7 – Final Fuel Over/Under Recovery" schedule with respect to the final true-up for the period.

Q. What was Peoples' cost of gas to be recovered through the

PGA clause for the period January 2024 through December 2024?

A. As shown on Exhibit A-7 in MEE-1, the cost of gas purchased, adjusted for company use, was $138,947,380.

Q. What was the amount of gas revenue collected for the period January 2024 through December 2024?

A. The amount of gas revenue collected to cover the cost of gas was $141,549,321.

Q. What was the amount of interest and adjustments for the period January 2024 through December 2024?

A. The interest provision for the period is $506,325 and the adjustments are $76,735. The adjustments are system balancing refunds from Florida Gas Transmission Company and Seacoast Gas Transmission Company.

Q. What was the final true-up amount for the period January 2024 through December 2024?

A. The final true-up amount for the period, including interest and adjustments, is an over-recovery of

$3,185,001.

Q. Is this amount net of the estimated true-up for the period January 2024 through December 2024, which was included in the January 2025 through December 2025 PGA cap factor calculation?

A. No. The final true-up net of the estimated true-up for the period January 2024 through December 2024 is an over-recovery of $2,839,661.

Q. Is this the final under-recovery amount to be included in the January 2026 through December 2026 projection?

A. Yes.

Q. Does this conclude your testimony?

A. Yes, it does.

TECO
PEOPLES GAS
AN EMERA COMPANY

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20250003-GU
PURCHASED GAS ADJUSTMENT (PGA)
BY PEOPLES GAS SYSTEM, INC.

TESTIMONY AND EXHIBIT
OF
MATTHEW E. ELLIOTT

FILED: AUGUST 1, 2025

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

PREPARED DIRECT TESTIMONY

OF

MATTHEW E. ELLIOTT

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

A. My name is Matthew E. Elliott. My business address is 3600 Midtown Drive, Tampa, Florida 33607. I am employed by Peoples Gas System, Inc. ("Peoples" or the "company") as the Manager, Regulatory Affairs.

Q. Please describe your educational and employment background.

A. I graduated from the University of South Florida in 1999 with a Bachelor of Arts degree in Business Administration with a concentration in accounting. I completed a fifth year of accounting credits at University of South Florida in 2012 and was licensed as a Certified Public Account in the State of Florida in June 2013. My work experience includes sixteen years of gas and electric utility experience. My utility work has included various positions in Corporate Tax, Audit Services, Pipeline

Compliance, Safety, and Regulatory Affairs. In my current position, I am responsible for Peoples' Purchased Gas Adjustment ("PGA") Clause, Natural Gas Conservation Cost Recovery Clause, Cast-Iron Bare Steel Replacement Rider, and various other regulatory activities at Peoples.

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

A. The purpose of my testimony is to describe generally the components of Peoples' cost of purchased gas and upstream pipeline capacity. I also explain how Peoples' projected weighted average cost of gas ("WACOG") for the January 2026 through December 2026 period was determined and the resulting requested maximum PGA ("Cap").

Q. Have you prepared an exhibit to support your direct testimony in this proceeding?

A. Yes. Exhibit MEE-2, consisting of one document, was prepared by me or under my direction and supervision. Document No. 1 contains Schedules E-1 through E-5 showing the calculation of Peoples' 2026 PGA cap factor.

Q. What is the appropriate final purchased gas adjustment true-up amount for the period January 2024 through

December 2024?

A. As shown on Schedule E-4, the final PGA true-up amount for the year 2024 is an over-recovery of $2,839,660.

Q. What is the estimated purchased gas adjustment true-up amount for the period January 2025 through December 2025?

A. As shown on Schedule E-4, the estimated PGA true-up amount for 2025 is an under-recovery of $590,166.

Q. What is the total purchased gas adjustment true-up amount to be collected during the period January 2026 through December 2026?

A. As shown on Schedule E-4, the total PGA true-up amount to be refunded in 2026 is an over-recovery of $2,249,493.

Q. How did Peoples estimate the amount of gas to be purchased from various sources during the projected period of January 2026 through December 2026?

A. Peoples' projected gas purchases are based on the company’s preliminary total throughput of therms delivered to customers projected for 2026, including both sales of Peoples' system supply and transportation deliveries of third-party gas purchased by end-users of Peoples. The throughput was then adjusted for the anticipated level of transportation service.

Q. How are revenues derived from Peoples' Swing Service Charge accounted for through the PGA Clause?

A. Customers who participate in the Natural Choice program pay a Swing Service Charge. The Swing Service Charge covers costs included in the PGA for balancing the difference between marketer-supplied gas and the customers’ actual consumption. The revenues from the Swing Service Charge are credited to the PGA to offset this expense.

Q. How did you estimate the purchase price to be paid by Peoples for each of its available sources of gas supply?

A. Peoples estimates natural gas prices based on futures contracts as reported on the New York Mercantile Exchange. For the projection period of January 2026 through December 2026, Peoples uses natural gas futures settlement prices as traded on the New York Mercantile Exchange, averaged over five consecutive business days in June 2025 (i.e., June 24th - 27th and 30th) to forecast natural gas prices. The price projection is then adjusted to reflect any basis differential between zones and the potential for unexpected and unforeseen changes due to market forces for natural gas prices in the projection period.

Q. Referring to Schedules E-3 (A) through (G) of Composite Exhibit MEE-2, please explain the components of these schedules and the assumptions that were made in developing the company's projections.

A. Schedule E-3, column (G) is a compilation of the annual data that appears on Schedules E-3 (E) through (F) for the year ending December 31, 2026. In Column (B), "FGT" indicates that the volumes are to be purchased for delivery via the Florida Gas Transmission Company interstate pipeline transportation. "SONAT" indicates that the volumes are to be purchased for delivery via the Southern Natural Gas Company interstate pipeline transportation. “GULFSTREAM” indicates that the volumes are to be purchased for delivery via Gulfstream Natural Gas System interstate pipeline transportation.

“SEACOAST” indicates the volumes are to be purchased for delivery via the SeaCoast Gas Transmission intrastate pipeline transportation. "THIRD PARTY" indicates that the volumes are to be purchased directly from various third-party suppliers for delivery into FGT, SONAT, or Gulfstream.

In Column (C), "PGS" means the purchase will be for Peoples' system supply and will become part of Peoples' total WACOG. None of the costs of gas or transportation for end-use purchases made by end-use customers of Peoples are included in Peoples' WACOG. In Column (D), purchases of pipeline transportation services from FGT under Rate Schedules FTS-1, FTS-2, and FTS-3 are split into two components, commodity (or "usage") and demand (or "reservation"). Both Peoples and end-users pay the usage charge based on the actual amount of gas transported. The FTS-1, FTS-2, and FTS-3 commodity costs shown include all related transportation charges including usage, fuel, and Annual Charge Adjustment (“ACA”) charges. The FTS-1, FTS-2, and FTS-3 demand component is a fixed charge based on the maximum daily quantity of FTS-1, FTS-2, and FTS-3 firm transportation capacity reserved. Similarly, the transportation rates of SONAT and Gulfstream consist of two components, a usage charge and a reservation charge, whereas SeaCoast consists of one component, a reservation charge. Individual Transportation Service customers reimburse Peoples or directly pay the upstream pipeline for all pipeline reservation charges associated with the transportation capacity that Peoples reserves and uses on their behalf.

Also, in Column (D), "NO NOTICE TRANSPORTATION SERVICE" (or "NNTS") represents FGT's no notice service provided to Peoples on a fixed charge basis for use when Peoples' actual use exceeds scheduled quantities. "SWING SERVICE" is the demand and commodity component of the cost of third-party supplies purchased to meet Peoples "swing" requirements for supply that fluctuate on a day-to-day basis. Column (E) captures the annual quantity in therms of gas purchased by Peoples for each category of system supply.

Column (F) is the gas purchased by end-users for transportation. Column (G) is the total of Columns (E) and (F) in each row. Columns (H), (I), (J) and (K) represent the corresponding third-party supplier commodity costs, pipeline transportation commodity costs, pipeline transportation reservation costs, and other charges (e.g., balancing charges), respectively. These costs are determined using the actual amounts paid by Peoples. In the case of end-user transportation, these costs are reimbursed to Peoples or paid directly to FGT. All ACA and fuel charges are included in the commodity costs in Column (I) and, therefore, are not shown in Column (K). Column (L) in each row is the sum of Columns (H), (I), (J) and (K) divided by Column (G).

Q. Please explain the components of these schedules and the assumptions that were made in developing the company's projections.

A. Schedule E-1 shows the Cost of Gas Purchased, Therms Purchased, and Cents Per Therm for all rate classes.

The costs associated with various categories or items are shown on lines 1 through 14. Line 6 on Schedule E-1 includes legal expenses associated with various interstate pipeline dockets, such as tariff filings, seasonal fuel filings, and certification proceedings. These expenses have historically been included for recovery through the Purchased Gas Adjustment Clause because they are fuel-related expenses. The volumes consumed for similar categories or items are shown on lines 15 through 27, and the resulting effective cost per therm rate for each similar category or item is contained on lines 28 through 45. The data shown on Schedule E-1 is calculated from Schedules E-3 (A) through (F) for the year ending December 31, 2026.

Q. What information is presented on Schedule E-1/R of Composite Exhibit MEE-2?

A. Schedule E-1/R of Composite Exhibit MEE-2 shows six months actual and six months estimated data for the current period from January 2025 through December 2025 for all customer classes.

Q. What information is presented on Schedule E-2 of Composite Exhibit MEE-2?

A. Schedule E-2 of Composite Exhibit MEE-2 shows the amount of the prior period over/under recoveries of gas costs that are included in the current PGA calculation.

Q. What is the purpose of Schedule E-4 of Composite Exhibit MEE-2?

A. Schedule E-4 of Composite Exhibit MEE-2 shows the calculation of the estimated true-up amount for the January 2025 through December 2025 period. It is based on actual data for six months and projected data for six months.

Q. What information is contained on Schedule E-5 of Composite Exhibit MEE-2?

A. Schedule E-5 of Composite Exhibit MEE-2 is statistical data that includes the projected therm sales and numbers of customers by customer class for the period from January 2026 through December 2026.

Q. Did the Commission recently approve a modification to the company's sharing mechanism contained in the Off-System Service ("OSS") tariff?

A. Yes. In Order No. PSC-2025-0282-TRF-GU, issued on July 21, 2025, the Commission approved the company's proposed revision to the OSS rate schedule to allow revenues received from off-system sales to be shared 50/50 instead of 25/75. Accordingly, with this approved modification, 50 percent of the net off-system sales revenues are now credited to the PGA and 50 percent go to PGS as above the line revenues.

Q. What is the appropriate cap factor for which Peoples seeks approval?

A. The WACOG for which Peoples seeks approval as the annual cap is a factor of $1.16057 per therm as shown on Line 44 of Schedule E-1. This annual cap will be applicable to all rate classes.

Q. Please summarize your testimony.

A. My testimony describes (1) the projections and assumptions used to estimate the purchase price to be paid by Peoples for such gas supplies, and (2) the components and assumptions used to develop Peoples' projected WACOG including the projected true-up balance to be collected or refunded.

Q. Does this conclude your testimony?

A. Yes, it does.

(Whereupon, prefiled direct testimony of Evette Moreno was inserted.)

TECO
PEOPLES GAS
AN EMERA COMPANY

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20250003-GU
PURCHASED GAS ADJUSTMENT (PGA)
BY PEOPLES GAS SYSTEM, INC.

TESTIMONY AND EXHIBIT
OF
EVETTE MORENO

FILED: AUGUST 1, 2025

PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20250003-GU
WITNESS: MORENO

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

PREPARED DIRECT TESTIMONY

OF

EVETTE MORENO

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

A. My name is Evette Moreno. My business address is 3600 Midtown Drive, Tampa, FL 33607. I am employed by Peoples Gas System, Inc. ("Peoples" or the "company") as a Director Gas Supply & Trading.

Q. Please describe your educational and employment background.

A. I graduated from the American Intercontinental University in 2005 with a Bachelor of Arts degree in Business Administration with a concentration in Accounting and Finance. I also graduated from the Florida Institute of Technology in 2022 with a Master of Business Administration degree. My work experience includes thirty years of gas utility experience. My utility work has included various positions in Gas Supply & Trading and Transportation Services.

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

A. The purpose of my testimony is to address (1) how the company will obtain its gas supplies during the projected period, and (2) the estimates and adjustments used to determine the amount of gas to be purchased from Peoples' available sources during the projected period.

Q. Please describe how Peoples will obtain its gas supplies during the projected period of January 2026 through December 2026.

A. Natural gas delivered through Peoples' distribution system is received through three interstate pipelines and one intrastate pipeline. Gas is delivered through Florida Gas Transmission Company ("FGT"), Southern Natural Gas Company ("SONAT"), Gulfstream Natural Gas System ("Gulfstream"), and SeaCoast Gas Transmission ("SeaCoast"). Receiving gas supply through multiple upstream pipelines provides the company with valuable flexibility and reliability to serve customers.

Q. In general, how does Peoples determine its sources of supply?

A. Peoples evaluates, selects, and utilizes sources of natural gas supply based on its "best value" gas acquisition strategy. For a source of supply to be identified as "best value," it must offer the best combination of price, reliability of supply, and flexibility. This is consistent with Peoples' obligation as a public utility to provide safe, adequate, and efficient service to our customers. Through a competitive bidding process, Peoples has a portfolio of supply sources from numerous third parties that reflect balance between cost, reliability, and operational flexibility

Q. Could Peoples purchase all third-party supplies in advance for a long term at the lowest available fixed price to provide increased stability to its cost of gas?

A. No. Peoples' quantity requirements for system supply gas vary significantly according to year, season, month, and day. The variability in the demand for gas on Peoples' system is driven by the requirements of its customers. As a result, the actual quantity of gas taken out of Peoples' system by transport customers varies. Since significant portions of the total transportation volumes are received by Peoples at a uniform daily rate, Peoples increases or decreases the volumes purchased for its own system supply to maintain a daily balance between receipts and deliveries of gas. Therefore, Peoples must buy a portion of its total system requirements under swing contract arrangements and meet variations in delivered volumes by relying on swing gas, peaking gas, pipeline balancing volumes, and pipeline no notice service at the prevailing rates for such services.

Q. What has contributed to the stable price of natural gas in 2025 and the higher price projected for 2026 compared to 2025?

A. Strong domestic storage injections and lower domestic natural gas production is the primary factor contributing to the stable natural gas prices in 2025. Higher natural gas prices are expected in 2026 because of the draw down of domestic storage inventories throughout 2025 and new demand from liquefied natural gas export projects.

Q. Please summarize your testimony.

A. My testimony addresses how the company will obtain its gas supplies during the projected period, the estimates and adjustments used to determine the amount of gas to be purchased from Peoples' available sources during the projected period, and what is driving higher natural gas prices in 2026.

Q. Does this conclude your testimony?

A. Yes, it does.

(Whereupon, prefiled direct testimony of Charles A. Shoaf was inserted.)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas Recovery) Docket No. 20250003-GU
) Submitted for filing:
) April 29, 2025

DIRECT TESTIMONY OF CHARLES A. SHOAF ON

BEHALF OF ST. JOE NATURAL GAS COMPANY, INC.

Q. Please state your name, business address, by whom you are employed and in what capacity.

A. Charles A. Shoaf, 301 Long Avenue, Port St. Joe, Florida 32456, St. Joe Natural Gas Company in the capacities of V-President and Regulatory Affairs.

Q. What is the purpose of your testimony?

A. My purpose is to discuss the final true-up for the period January 2024 through December 2024.

Exhibits

Q. Would you please identify the Composite Exhibit which you are sponsoring with this Testimony?

A. Yes. As Composite Exhibit CAS-1, I am sponsoring the following schedules with respect to the final true-up for period January 2024 through December 2024.

Schedule A-7 - Final Fuel Over/Under Recovery

Q. Was this schedule prepared under your direction and supervision?

A. Yes, it was.

Final True-Up January 2024 - December 2024

Q. What were the total therm sales for the period January 2024 through December 2024?

A. Total therm sales were 978,197 therms.

Q. What were total therm purchases for the period January 2024 through December 2024?

A. Total therm purchases were 894,590.

Q. What was the cost of gas to be recovered through the PGA for the period January 2024 through December 2024?

A. The cost of gas purchased for January 2024 through December 2024 was $459,317.50.

Q. What was the amount of gas revenue collected for the period January 2024 through December 2024?

A. The amount of gas revenue collected to cover the cost of gas was $572,640.

Q. What is the total true-up provision for the period January 2024 through December 2024?

A. The total true-up provision, including interest, is an over-recovery of $120,762.62 for the period.

Q. What is the amount of estimated true-up included for January 2024 thru December 2024 in the January 2024 through December 2024 PGA factor calculation?

A. The amount of estimated true-up for the period January thru December 2024 included in the January 2024 through December 2024 PGA factor calculation was an over-recovery of $37,726.00.

Q. What is the final over/under-recovery for the January through December 2024 period to be included in the January through December 2026 projection?

A. The final over-recovery for the current period to be included in the January 2026 through December 2026 projections are $83,036.62.

Q. Does this conclude your testimony?

A. Yes

(Whereupon, prefiled direct testimony of Debbie K. Stitt was inserted.)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas Recovery)	Docket No. 20250003-GU Submitted for filing August 4, 2025

DIRECT TESTIMONY OF DEBBIE STITT ON

BEHALF OF ST. JOE NATURAL GAS COMPANY, INC.

Q. Please state your name, business address, by whom you are employed and in what capacity.

A. Debbie Stitt, 301 Long Avenue, Port St. Joe, Florida 32456, St. Joe Natural Gas Company in the capacities of Regulatory Analyst.

Q. What is the purpose of your testimony?

A. My purpose is to submit known and estimated gas costs and therm sales from January 1, 2025 through December 31, 2025, used in developing the maximum twelve month levelized purchased gas cost factor to be applied to customer bills from January 1, 2026 through December 31, 2026.

Q. Have you prepared any exhibits in conjunction with your testimony?

A. Yes, I have prepared and filed on August 4, 2025 Schedules E-1 through E-5.

Q. What Purchased Gas Cost Recovery Factor does

St. Joe Natural Gas seek approval through its petition for the period January 1, 2025 through December 31, 2025?

A. 1.049 cents per therm

Q. Does this conclude your testimony?

A. Yes

C6-63

CHAIRMAN LA ROSA: Let's go to exhibits.

MR. BLOOM: Staff has compiled a Comprehensive Exhibit List, which includes the prefiled exhibits attached to the witnesses' testimony in this case, as well as staff exhibits. The list has been provided to the parties, the Commissioners and the court reporter.

Staff requests that the Comprehensive Exhibit List be marked as Exhibit No. 1, and the other exhibits as marked as set forth in the Comprehensive Exhibit List.

(Whereupon, Exhibit Nos. 1-20 were marked for identification.)

CHAIRMAN LA ROSA: All right. Do any of the parties have any additional matters that need to be addressed?

Seeing none, then can -- I am going to go to staff on this. I want to make sure I got my notes accurately in front of me, make sure I need to take a vote on this.

MR. BLOOM: I believe we also need to address Exhibits 2 through 20.

CHAIRMAN LA ROSA: Yes, let's go ahead and do that then.

MR. BLOOM: Staff requests to move Exhibits 2 through 20 into the record as set forth on the Comprehensive Exhibit List.

CHAIRMAN LA ROSA: All right. Any objections? Seeing none, then so moved.

(Whereupon, Exhibit Nos. 1-20 were was received into evidence.)

MR. BLOOM: Because the parties have reached Type 2 stipulations, with the intervenors not objecting to the Commission considering the stipulations on all issues in this case, staff suggests that the Commission may make a bench decision in this docket because the parties agreed to waive post-hearing briefs.

Staff is also available to answer any questions.

CHAIRMAN LA ROSA: All right. So, Commissioners, now it's back to us. Are there any questions?

All right. I tried to derail us. You guys didn't let me. All right. So seeing nothing before us, are there -- open for a motion.

COMMISSIONER PASSIDOMO SMITH: Mr. Chair, I would move to approve the proposed Type 2 stipulations as shown on pages eight through 10 of the Prehearing Order.

COMMISSIONER GRAHAM: Second.

CHAIRMAN LA ROSA: Hearing a motion, and hearing a second.

All those in favor signify by saying yay.

(Chorus of yays.)

CHAIRMAN LA ROSA: Yay.

Opposed no?

(No response.)

CHAIRMAN LA ROSA: Show that it is approved as stipulated and motioned.

All right. Any other matters that need to be addressed for us in 03?

MR. BLOOM: All issues, testimony and exhibits have been stipulated to, and all stipulations have been approved by the Commission. Staff has no additional matters to address.

CHAIRMAN LA ROSA: All right. Parties?

Seeing none, let's go ahead and adjourn the 03 docket.

(Proceedings concluded.)

CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, DEBRA KRICK, Court Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED this 12th day of November, 2025.

Debbie R Krick

DEBRA R. KRICK
NOTARY PUBLIC
COMMISSION #HH575054
EXPIRES AUGUST 13, 2028