

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In re: DOCKET NO. 20250004-GU
Natural gas conservation
cost recovery.

VOLUME 1
PAGES 1 - 47

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 p.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
(850) 894-0828

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3 VIRGINIA PONDER, ESQUIRES, Ausley Law Firm, Post Office
4 Box 391, Tallahassee, Florida 32302; appearing on behalf
5 of Peoples Gas System (PGS).

6 BETH KEATING, ESQUIRE, Gunster Law Firm, 215
7 South Monroe Street, Suite 601, Tallahassee, Florida
8 32301; appearing on behalf of Florida Public Utilities
9 Company (FPUC), Florida City Gas (FCG), and Sebring Gas
10 System, Inc. (SEBRING).

11 WALT TRIERWEILER, PUBLIC COUNSEL; CHARLES
12 REHWINKEL, DEPUTY PUBLIC COUNSEL; OFFICE OF PUBLIC
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14 Street, Room 812, Tallahassee, FL 32399-1400, appearing
15 on behalf of the Citizens of the State of Florida (OPC).

16 SAAD FAROOQI and TIMOTHY SPARKS, ESQUIRES,
17 FPSC General Counsel's Office, 2540 Shumard Oak
18 Boulevard, Tallahassee, FL 32399-0850, appearing on
19 behalf of the Florida Public Service Commission (Staff).

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21 HELTON, DEPUTY GENERAL COUNSEL, Florida Public Service
22 Commission, 2540 Shumard Oak Boulevard, Tallahassee,
23 Florida 32399-0850, Advisor to the Florida Public
24 Service Commission.

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1	I N D E X	
2	WITNESS:	PAGE
3	BRIAN GOFF	
4	Prefiled Direct Testimony inserted	7
5	KIRA I. LAKE	
6	Prefiled Direct Testimony inserted	10
7	CHARLES T. MORGAN, II	
8	Prefiled Direct Testimony inserted	14
9	JERRY H. MELENDY	
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11	DEBBIE STITT	
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1	EXHIBITS			
2	NUMBER:		ID	ADMITTED
3	1	Comprehensive Exhibit List	44	44
4	2-28	As identified in the CEL	44	45
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1 P R O C E E D I N G S

2 CHAIRMAN LA ROSA: Let's move to 04.

3 MR. FAROOQI: Good morning, Mr. Chair. Do you
4 want to start with preliminary matters?

5 CHAIRMAN LA ROSA: Yeah, start with
6 preliminary matters.

7 MR. FAROOQI: All right.

8 CHAIRMAN LA ROSA: Get us rolling.

9 MR. FAROOQI: Okay. Staff notes for the
10 record that St. Joe Natural Gas has also been
11 excused from this proceeding as well.

12 There are proposed Type 2 stipulations on all
13 issues, with the intervenors not objecting, and
14 these can be voted on today.

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

19 CHAIRMAN LA ROSA: Great. Thank you.

20 Do the parties have any other preliminary
21 matters?

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

24 MR. FAROOQI: Staff recommends that the
25 prefiled testimony of all witnesses identified in

1 Section 6 of the Prehearing Order be inserted into
2 the record as though read.

3 CHAIRMAN LA ROSA: All right. The list of
4 prefiled testimony then is moved into the record,
5 seeing no objection.

6 (Whereupon, prefiled direct testimony of Brian
7 Goff was inserted.)

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 20250004-GU
NATURAL GAS CONSERVATION COST RECOVERY

Direct Testimony of
Brian Goff
On Behalf of
Consolidated Florida Public Utilities Company &
Florida City Gas

1 **Q. Please state your name and business address.**

2 A. Brian Goff: my business address is: 208 Wildlight Avenue, Yulee, FL 32097.

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

4 A. I am employed by Chesapeake Utilities Corporation (“CUC”) as the Manager of
5 Sustainability & Environmental Affairs. Chesapeake Utilities is the parent company
6 of Florida Public Utilities Company (“FPUC”) and Florida City Gas (“FCG”),
7 (herein referred to jointly as the “Companies”).

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

9 A. To advise the Commission of the Companies actual over/under recovery of the
10 Conservation costs for the period January 1, 2024 through December 31, 2024 as
11 compared to the amount previously reported for that period which was based on Six
12 months actual and Six months estimated data.

13 **Q. Please state the actual consolidated amount of over/under recovery of**
14 **Conservation Program costs of Florida Public Utilities Company and Florida**
15 **City Gas for January 1, 2024 through December 31, 2024.**

1 A. The Companies under-recovered \$416,087 during that period. This amount is
2 substantiated on Schedule CT-2, page 1 of 3, Calculation of True-up and Interest
3 Provision.

4 **Q. How does this amount compare with the consolidated estimated true-up amount**
5 **which was allowed by the Commission?**

6 A. We had estimated a consolidated over-recovery of \$112,015 as of December 31,
7 2024.

8 **Q. Have you prepared any exhibits at this time?**

9 A. We have prepared and pre-filed Schedules CT-1, CT-2, CT-3, CT-4, CT-5 and CT-6
10 (Composite Exhibit BG-1).

11 **Q. Does this conclude your testimony?**

12 A. Yes.

1 (Whereupon, prefiled direct testimony of Kira
2 I. Lake was inserted.)

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1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2 DOCKET NO. 20250004-GU: Natural Gas Conservation Cost Recovery

3
4 Direct Testimony of Kira I. Lake

5 On Behalf of

6 FLORIDA PUBLIC UTILITIES AND FLORIDA CITY GAS

7
8 **Q. Please state your name and business address.**

9 A. My name is Kira I. Lake. My business address is 450 S. Charles Richard
10 Beall Blvd, DeBary, FL 32713.

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

12 A. I am employed by Chesapeake Utilities Corporation (CUC) as the Director of
13 Marketing Communications. Chesapeake Utilities is the parent company of
14 Florida Public Utilities Company ("FPUC") and Florida City Gas ("FCG"),
15 (herein referred to jointly as the "Companies").

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

18 A. I graduated from Embry-Riddle Aeronautical University in 2003 with a
19 Bachelor's of Science degree in Air Traffic Management and in 2007 with a
20 Masters of Business Administration degree. I have been employed with FPUC
21 since 2007 and have held different positions with the Company including
22 Energy Conservation Representative, Energy Conservation Manager, Energy
23 Logistics Manager, Manager of Business Financial Analysis and Director of
24 Growth and Retention. In my current role, I direct the activities of the
25 Company's Marketing and Energy Conservation departments.

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

27 A. To describe generally the expenditures made and projected to be made in

1 implementing, promoting, and operating the Companies' energy conservation
2 programs. This will include recoverable actual costs incurred in January
3 through June 2025 and projections of program costs to be incurred July
4 through December 2025. It will also include projected conservation costs, for
5 the period January through December 2026, with a calculation of the Energy
6 Conservation Cost Recovery Adjustment and Energy Conservation Cost
7 Recovery Adjustment (Experimental) factors to be applied to the customers'
8 bills during the collection period of January 1, 2026 through December 31,
9 2026.

10 **Q. Are there any exhibits that you wish to sponsor in this proceeding?**

11 A. Yes. I am sponsoring Exhibit KIL-1, which consists of the required
12 Schedules C-1, C-2, C-3, and C-5, which have been filed with this testimony.

13 **Q. Have there been any changes in the Conservation filing compared to the**
14 **prior year?**

15 A. No.

16 **Q. Have the Companies included descriptions and summary information on**
17 **the Conservation Programs currently approved and available to your**
18 **customers for Florida Public Utilities Company and Florida City Gas?**

19 A. Yes, the Companies have included the consolidated summaries of the
20 approved conservation programs currently available to our customers in C-5
21 of Exhibit KIL-1.

22 **Q. What are the total consolidated projected costs for the period January**
23 **2026 through December 2026?**

24 A. The total projected Consolidated Conservation Program Costs are
25 \$13,142,450. Please see Schedule C-2, page 2, for the programmatic and
26 functional breakdown of these total costs.

1 **Q. What is the consolidated true-up for the period January 2025 through**
2 **December 2025?**

3 A. As reflected in the Schedule C-3, Page 4 of 5, the True-up amount for the
4 FPUC and FCG on a consolidated basis is an under-recovery of \$336,515.

5 **Q. What are the resulting total consolidated projected conservation costs to**
6 **be recovered during this projection period?**

7 A. The total costs to be recovered during the projection period are \$13,478,965.

8 **Q. Have the Companies prepared a schedule that shows the calculation of**
9 **the proposed Energy Conservation Cost Recovery Adjustment factors to**
10 **be applied during billing periods from January 1, 2026 through**
11 **December 31, 2026 for each entity?**

12 A. Yes. Schedule C-1 of Exhibit KIL-1 shows these calculations. Net program
13 cost estimates for the period January 1, 2026 through December 31, 2026 are
14 used. The estimated true-up amount from Schedule C-3, page 4 of 5, of
15 Exhibit KIL-1, being an over-recovery, was subtracted from the total
16 projected costs for the 12-month period. The total amount was then divided
17 among the Companies' rate classes, excluding customers who are served
18 under contracts with market-based rates or otherwise receive service under a
19 tariff that is exempt from application of the conservation cost recovery factor,
20 such as Outdoor Lighting. The results were then divided by the projected gas
21 throughput for each rate class for each Company for the 12-month period
22 ending December 31, 2026. The resulting Energy Conservation Cost
23 Recovery Adjustment factors are shown on Schedule C-1 of Exhibit KIL-1.

24 **Q. Does this conclude your testimony?**

25 A. Yes.

1 (Whereupon, prefiled direct testimony of
2 Charles T. Morgan, II was inserted.)

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

PREPARED DIRECT TESTIMONY

OF

CHARLES T. MORGAN II

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

A. My name is Charles T. Morgan II. My business address is 702 North Franklin Street, Tampa, Florida 33602. I am employed by Peoples Gas System, Inc. ("Peoples" or the "company") as Supervisor, Conservation Programs, in the Regulatory Affairs Department.

Q. Please describe your educational and employment background.

A. I graduated from Florida State University in 2009 with a Bachelor of Science degree in Social Science. My work experience includes eight years of regulatory experience, including three years with the Florida Public Service Commission as a Public Utility Analyst and four years as a Regulatory Analyst with Peoples before beginning my current role in 2024. In my current position, I am responsible for Peoples' Natural Gas Conservation Cost Recovery ("NGCCR")

1 Clause and other Conservation and demand-side management
2 ("DSM") activities.

3

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

5

6 **A.** The purpose of my testimony is to present and support for
7 Commission review and approval the company's actual DSM
8 program true-up costs incurred during the January through
9 December 2024 period.

10

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

12

13 **A.** Yes. Exhibit No. CTM-1, entitled "Peoples Gas System, Inc.
14 Schedules Supporting Conservation Cost Recovery Factor,
15 Actual, January 2024-December 2024" was prepared under my
16 direction and supervision. This Exhibit includes Schedules
17 CT-1 through CT-3, and CT-6 which support the company's
18 actual and prudent DSM program-related true-up costs
19 incurred during the January through December 2024 period.

20

21 **Q.** What were Peoples' actual January through December 2024
22 conservation costs?

23

24 **A.** For the period January through December 2024, Peoples Gas
25 System incurred actual net conservation costs of

1 \$33,000,351.

2

3 Q. What is the final end of period net true-up for the
4 conservation clause for January through December 2024?

5

6 A. The final conservation clause end of period net true-up for
7 January through December 2024 is an under-recovery,
8 including interest, of \$1,353,768. This calculation is
9 detailed on Schedule CT-1, page 1 of 1.

10

11 Q. Please summarize how Peoples's actual program costs for
12 January through December 2024 period compare to the
13 actual/estimated costs presented in Docket No. 20240004-
14 GU?

15

16 A. Peoples' actual program costs for 2024 were lower than
17 actual/estimated costs presented in Docket No. 20240004-
18 GU by \$849,983. The total program costs were projected to
19 be \$33,850,334, compared to the actual costs of
20 \$33,000,351.

21

22 Q. Please summarize the reasons for which actual expenses were
23 less than projected expenses.

24

25 A. The variance was primarily due to lower-than-projected

1 expenses in the Residential Retention and Commercial
2 Retention programs. The company's projected expenses were
3 based on historical trends observed since the
4 implementation of the 2019 Demand-Side Management Plan.
5 The actual versus projected variance for each program is
6 detailed on Schedule CT-2, Page 3 of 3.

7
8 **Q.** Should Peoples' costs incurred during the January through
9 December 2024 period for energy conservation be approved by
10 the Commission?

11
12 **A.** Yes, the costs incurred were prudent and directly related
13 to the Commission's approved DSM programs and should be
14 approved.

15
16 **Q.** Does that conclude your testimony?

17
18 **A.** Yes, it does.
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

PREPARED DIRECT TESTIMONY

OF

CHARLES T. MORGAN II

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

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

Q. Please describe your educational and employment background.

A. I graduated from Florida State University in 2009 with a Bachelor of Science degree in Social Science. My work experience includes eight years of utility regulatory experience, including three years with the Florida Public Service Commission ("Commission") as a Public Utility Analyst and three years as a Regulatory Analyst with Peoples before being promoted into my current role in 2024. As the Supervisor of Conservation Programs, I am responsible for

Peoples' Natural Gas Conservation Cost Recovery ("NGCCR") Clause and other Conservation and demand-side management ("DSM") activities.

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

A. The purpose of my testimony is to support Peoples' actual conservation costs incurred during the period January through December 2024, the actual/estimated period January to December 2025, and the projected period January through December 2026. The projected 2026 NGCCR factors have been calculated based on the currently approved allocation methodology.

Q. Are you sponsoring any exhibits with your testimony?

A. Yes, I am sponsoring Exhibit No. CTM-2 prepared under my direction and supervision. This document consists of Schedules C-1 through C-5 and associated data which contain information that supports the development of the natural gas conservation cost recovery factors to be applied to customer bills during the period January 2026 through December 2026.

1 **Q.** Does Exhibit No. CTM-2 meet the requirements of Rule 25-
2 17.015, Florida Administrative Code, which requires the
3 projection filing to include the annual estimated/actual
4 true-up filing showing actual and projected common costs,
5 individual program costs, and any revenues collected?

6
7 **A.** Yes, it does.

8
9 **Q.** What timeframe did Peoples use in developing its 2025 annual
10 actual/estimated true-up filing?

11
12 **A.** Peoples developed its 2025 annual actual/estimated true-up
13 filing showing actual and projected common costs,
14 individual program costs, and any revenues collected based
15 on six months of actuals and six months of estimates.

16
17 **Q.** Please describe the conservation program costs projected by
18 Peoples during the period January through December 2024.

19
20 **A.** For the period January through December 2024, Peoples
21 projected conservation program costs to be \$33,850,334.
22 The Commission authorized collections to recover these
23 expenses in Order No. PSC-2024-0486-FOF-GU, issued November
24 25, 2024, in Docket No. 20240004-GU.

25

1 **Q.** For the period January through December 2024, what were
2 Peoples' conservation costs, and what was recovered through
3 the NGCCR Clause?

4
5 **A.** For the period January through December 2024, Peoples
6 incurred actual net conservation costs of \$33,000,351. The
7 amount collected in the NGCCR Clause was \$43,501,412, plus
8 applicable regulatory assessment fees of \$217,507. The
9 conservation revenue applicable to this period was
10 \$31,069,935, which includes the \$43,501,412 amount
11 collected in the NGCCR Clause, and the prior period true-
12 up under-recovery of \$12,431,477.

13
14 **Q.** What is the true-up amount for Peoples for the period
15 January through December 2024?

16
17 **A.** Peoples' true-up amount for the period January through
18 December 2024 was an under-recovery of \$1,353,768,
19 including interest, as detailed on Schedule CT-1 of
20 Exhibit No. CTM-1.

21
22 **Q.** Please describe the conservation program costs projected
23 to be incurred by Peoples during the period January
24 through December 2025?

1 **A.** The actual costs incurred by Peoples through June 2025
2 and projected for July through December 2025 are
3 \$28,570,070, as shown on Schedule C-3, Page 1 of 4. For
4 the period, Peoples anticipates an over-recovery of
5 \$8,928,384 which includes the 2024 true-up and interest.
6 A summary of these costs and estimates are fully detailed
7 in Exhibit No. CTM-2, Estimated Conservation Program
8 Costs Per Program, pages 12 through 15.

9
10 **Q.** Please summarize the reasons for the over-recovery.
11

12 **A.** The over-recovery is primarily a result of
13 actual/estimated expenses falling short of projections in
14 the Residential New Construction and Commercial Retention
15 Programs. Specifically, after four consecutive years of
16 increased activity, the company projected Residential New
17 Construction expenses to increase again in 2025. Instead,
18 Residential New Construction activity and expenses have
19 decreased as compared to 2024. Additionally, as approved
20 in Order No. PSC-2025-0054-PAA-EG, issued on February 12,
21 2025, the company modified the Commercial Retention
22 Program by restructuring the rebates for fryers to be
23 based on cooking efficiency rather than cost, to
24 incentivize the installation of higher efficiency models.
25 With this change, the number of rebates has significantly

1 decreased. The actual/estimated costs for each program
2 are detailed on Schedule C-3, Page 1 of 4.

3
4 Q. Does Peoples expect the Residential Online Audit (the
5 "Online Audit") to meet its projected participation of
6 7,500 customers in 2025, as stated on Page 1 of Schedule
7 C-5 in the company's 2024 NGCCR Projection Filing?

8
9 A. No. Based on information from the company's vendor that
10 supports the Online Audit, the company does not expect to
11 meet its projected participation. In January and February
12 2025, our vendor recorded 743 and 833 participants,
13 respectively. However, between March 6 and March 9, 2025,
14 the vendor's reporting shows a sharp decrease in daily
15 participants from 25-30 per day to 0-3 per day. The
16 company investigated this sharp decline through various
17 means. Among other things, we verified (1) the accuracy
18 of the vendor's reporting data, (2) that the website links
19 were working within the company and with the vendor, and
20 (3) that the Online Audit application was properly
21 installed on our website. Additionally, individual
22 company team members completed audits to verify they were
23 properly recorded by the vendor.

24
25 The company has not received notice from customers that

they are unable to complete the Online Audit or otherwise are having trouble in participating. However, we continue to see discrepancies between the number of visitors to the Online Audit webpage and those documented as completing the Online Audit. Thus, the company continues to investigate this matter with the vendor. The projections on Schedule C-5, page 1, of this filing assume accurate reporting resumes for the remainder of 2025 and through 2026. Nevertheless, participation for March through July appears low due to this issue.

Q. Please summarize the proposed conservation costs for the period January through December 2026 and the annualized recovery factors applicable for the period January through December 2026.

A. Peoples has estimated that the total conservation costs (less program revenues) during the period will be \$27,004,094, plus true-up. Including true-up estimates, the January through December 2026 conservation cost recovery factors for retail rate classes are as follows:

<u>Rate Schedule</u>	<u>Cost Recovery Factors</u> <u>(Dollars per Therm)</u>
RS & RS-SG & RS-GHP	\$0.08184
SGS	\$0.05231

1	GS-1 & CS-SG & CS-GHP	\$0.02770
2	GS-2	\$0.02095
3	GS-3	\$0.01742
4	GS-4	\$0.01282
5	GS-5	\$0.00880
6	CSLS	\$0.01765

7

8 Exhibit No. CTM-2, Schedule C-1, Page 1 of 1, Energy
9 Conservation Adjustment, Summary of Cost Recovery Clause
10 Calculation, contains the Commission-prescribed form which
11 details these estimates.

12

13 **Q.** Does this conclude your testimony?

14

15 **A.** Yes, it does.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

PREPARED DIRECT TESTIMONY

OF

CHARLES T. MORGAN II

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

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

Q. Have you previously filed testimony in this docket?

A. Yes. On May 1, 2025, I submitted direct testimony in this docket, including Exhibit CTM-1, in support of Peoples' Natural Gas Conservation Cost Recovery Clause ("NGCCR") final true-up for the period January 1, 2024, through December 31, 2024 (the "2024 True-Up Testimony and Exhibits"). On August 1, 2025, I submitted direct testimony in this docket, including Exhibit CTM-2, in support of Peoples' Actual/Estimated 2025 NGCCR True-up and the projected 2026 conservation cost recovery factors

1 ("2025 Estimated/Actual True-Up and 2026 Projection
2 Testimony and Exhibits"). This testimony supplements both
3 the 2024 True-Up Testimony and Exhibits, and the 2025
4 Estimated/Actual True-up and 2026 Projection Testimony
5 and Exhibits.

6
7 **Q.** What is the purpose of your supplemental testimony in
8 this docket?

9
10 **A.** The purposes of my supplemental testimony are to support
11 Peoples' (1) updated conservation cost recovery factors
12 to be applied to bills beginning January 1, 2026, through
13 December 31, 2026; (2) actual conservation costs incurred
14 during the period January through December 2024; (3)
15 actual/estimated period January to December 2025; and (4)
16 projected period January through December 2026.

17
18 On October 7, 2025, the Commission approved the company's
19 Motion to Approve the 2025 Stipulation and Settlement
20 Agreement ("2025 Agreement") filed in Docket No.
21 20250029-GU. The 2025 Agreement settles all issues in
22 Peoples' 2025 rate case petition filed on March 31, 2025.
23 The company calculated the projected 2026 NGCCR factors
24 in accordance with the Commission-approved 2025
25 Agreement.

1 Q. Are you sponsoring any exhibits with your testimony?

2
3 A. Yes. I am sponsoring Exhibit No. CTM-3, prepared under my
4 direction and supervision. These updated schedules were
5 used to calculate Peoples' 2026 conservation cost
6 recovery factors pursuant to the 2025 Agreement.

7
8 Q. Please describe the impact of the 2025 Agreement on the
9 proposed 2026 conservation cost recovery factors.

10
11 A. Paragraph 4 of the 2025 Agreement states that, with
12 respect to cost recovery clauses and riders that recover
13 plant investment costs, the company shall allocate among
14 its respective rate schedules the annual cost recovery
15 amounts by applying the cost recovery revenue
16 distribution shown in Exhibit B of the 2025 Agreement.
17 Accordingly, because the Commission approved the 2025
18 Agreement, this change to the cost recovery revenue
19 distribution must be reflected in the conservation cost
20 recovery factors. While Peoples does not currently
21 recover plant investment costs through the NGCCR, these
22 costs are eligible for recovery through the NGCCR, if
23 they are part of the company's conservation activities.

24
25 Q. Have you provided an updated schedule showing the

1 allocation of conservation cost recovery by retail rate
2 class using the cost recovery distribution presented in
3 Exhibit B of the 2025 Agreement?

4
5 **A.** Yes. Schedule C-1, Page 1 of 1, of Exhibit CTM-3, shows
6 the updated cost recovery factors calculated using the
7 revenue distribution in Exhibit B of the 2025 Agreement.
8 Peoples modified the Schedule C-1 standard form to better
9 demonstrate the revenue allocations under the 2025
10 Agreement. Specifically, the company removed the
11 "CUSTOMER CHARGE", "NON-GAS ENERGY CHARGE", "TOTAL CUST
12 & ENGY CHARGE" and "ECCR AS % OF TOTAL REVENUES" columns
13 and added "REVENUE CHANGE UNDER SETTLEMENT" and "REVENUE
14 APPORTIONMENT PER SETTLEMENT" columns. Additionally, the
15 company removed the "NGVS" rate schedule designation
16 because this rate schedule is no longer used by the
17 company. In its place, the company included the category
18 of "EXCLUDED FROM COST RECOVERY", which is further
19 explained below. The company notes that the modified
20 form Schedule C-1 results in the same conservation cost
21 recovery factors as the standard form schedule.

22
23 **Q.** Please explain the line "EXCLUDED FROM COST RECOVERY" in
24 the "RATE SCHEDULE" column on Schedule C-1.
25

1 **A.** This category sums the "Revenue Change Under Settlement"
2 amounts for rate schedules that are not eligible for
3 participation in Peoples' Demand-Side Management programs
4 and that are not subject to cost recovery under the NGCCR.
5 These include Wholesale Service and Interruptible rate
6 schedules. The company included this line to align with
7 the total base rate revenue changes reflected in Exhibit
8 B of the 2025 Agreement.

9
10 **Q.** Does the 2025 Agreement necessitate any other changes to
11 Peoples' NGCCR filings, aside from the conservation cost
12 recovery factors?

13
14 **A.** No. The approval of the 2025 Agreement does not necessitate
15 any changes to the 2024 true-up amount, the
16 actual/estimated 2025 true-up amount, the projected 2026
17 expenses, or to any other figure or calculation presented
18 in Peoples' previous filings in this docket.

19
20 **Q.** Please provide the updated conservation cost recovery
21 factors applicable to the period January through December
22 2026.

23
24 **A.** The updated January through December 2026 conservation
25 cost recovery factors for retail rate classes are as

follows:

		Cost Recovery Factors
<u>Rate Schedule</u>		<u>(Dollars per Therm)</u>
RS & RS-SG & RS-GHP		\$0.10374
SGS		\$0.08938
GS-1 & CS-SG & CS-GHP		\$0.00946
GS-2		\$0.01656
GS-3		\$0.01561
GS-4		\$0.01319
GS-5		\$0.00938
CSLS		\$0.00558

Exhibit No. CTM-3, Schedule C-1, Page 1 of 1, Energy Conservation Adjustment, Summary of Cost Recovery Clause Calculation, details these estimates.

Q. Does this conclude your supplemental testimony?

A. Yes, it does.

1 (Whereupon, prefiled direct testimony of Jerry
2 H. Melendy was inserted.)

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET 20250004-GU

DIRECT TESTIMONY OF

JERRY H. MELENDY

ON BEHALF OF SEBRING GAS SYSTEM, INC.

April 30, 2025

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 **A.** My name is Jerry H. Melendy. My business address is Sebring Gas System, Inc., 3515
3 U.S. Highway 27 South, Sebring FL 33870

4 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 **A.** I am President of Sebring Gas System, Inc. (the "Company").

6 **Q. ARE YOU FAMILIAR WITH THE COMPANY'S CURRENT ENERGY**
7 **CONSERVATION PROGRAMS?**

8 **A.** Yes.

9 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

10 **A.** My testimony presents data and summaries that describe the planned and actual
11 activities and expenses for the Company's energy conservation programs incurred
12 during the period January 2024 through December 2024. I will also identify the final
13 conservation true-up amount for the above referenced period.

14 **Q. HAVE YOU PREPARED A SUMMARY OF THE COMPANY'S**
15 **CONSERVATION PROGRAMS AND THE COSTS ASSOCIATED WITH**
16 **THESE PROGRAMS?**

17 **A.** Yes. Summaries of the Company's six approved programs for which costs were
18 incurred during the period January 2024 through December 2024

1 are included in Schedule CT-6 of Exhibit JHM-1. Included are the Residential New
2 Construction Program, the Residential Appliance Replacement Program, the
3 Residential Appliance Retention Program, Commercial New Construction,
4 Commercial Replacement, and Commercial Retention.

5 **Q. HAVE YOU PREPARED SCHEDULES WHICH SHOW THE**
6 **EXPENDITURES ASSOCIATED WITH THE COMPANY'S ENERGY**
7 **CONSERVATION PROGRAMS FOR THE APPLICABLE PERIOD?**

8 **A.** Yes. Exhibit JHM-1 includes schedules CT-1, CT-2 and CT-3 detail the Company's
9 actual conservation related expenditures for the period, along with a comparison of the
10 actual program costs and true-up to the projected costs and true-up for the period.

11 **Q. WHAT WAS THE TOTAL COST INCURRED BY THE COMPANY TO**
12 **ADMINISTER ITS SIX CONSERVATION PROGRAMS FOR THE**
13 **TWELVEMONTH PERIOD ENDING DECEMBER 2024?**

14 **A.** As indicated on Schedule CT-2, page 2, of Exhibit JHM-1, the Company's total 2024
15 programs costs were \$33,664.

16 **Q. HAVE YOU PREPARED A SCHEDULE WHICH SHOWS THE VARIANCE**
17 **OF ACTUAL FROM PROJECTED COSTS BY CATEGORIES OF**
18 **EXPENSES?**

19 **A.** Yes. Schedule CT-2, page 3, of Exhibit JHM-1, displays these variances.

20 **Q. WHAT IS THE COMPANY'S FINAL TRUE-UP FOR THE TWELVE**
21 **MONTHS ENDING DECEMBER 2024?**

22 **A.** The final true-up amount as shown on Schedule CT-1, of Exhibit JHM-1 is an over
23 recovery of \$1,773.

24 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

25 **A.** Yes.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Energy Conservation Cost Recovery Factors

Direct Testimony of Jerry H. Melendy, Jr. (Projection)

On Behalf of

Sebring Gas System, Inc.

Docket No.20250004-GU

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Jerry H. Melendy, Jr. My business address is Sebring Gas System, Inc., US Highway 27 South, Sebring, FL 33870.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am President of Sebring Gas Company, Inc. (the "Company").

Q. ARE YOU FAMILIAR WITH THE COMPANY'S APPROVED ENERGY CONSERVATION PROGRAMS AND THE REVENUES AND COSTS THAT ARE ASSOCIATED WITH THESE PROGRAMS?

A. Yes.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS DOCKET?

A. My testimony will present actual and projected expenditures and revenues related to promoting and administering the Company's energy conservation programs in 2025 and 2026. I will provide the adjusted net true-up amount associated with program administration for the January 2025 through December 2025 period. Projected program costs are provided for the period January 1, 2025, through June 30, 2025, as well

1 as the costs the Company expects to incur from July 1, 2025, through
2 December 31, 2025. I will also include the total costs the Company
3 seeks to recover through its conservation factors during the period
4 January 1, 2026, through December 31, 2026. Finally, I will also
5 propose the energy conservation cost recovery factors which, when
6 applied to consumer bills during the period January 1, 2026, through
7 December 31, 2026, will permit recovery of the Company's total
8 conservation costs.

9 **Q. HAVE YOU PREPARED A SUMMARY OF THE COMPANY'S**
10 **CONSERVATION PROGRAMS AND THE COSTS ASSOCIATED**
11 **WITH THESE PROGRAMS?**

12 A. Yes. Summaries of the Company's seven approved programs are
13 included in Schedule C-4 of Exhibit JHM-2. Included are the Residential
14 New Construction Program, the Residential Appliance Replacement
15 Program, the Residential Appliance Retention Program, the Small
16 Commercial Food Service Program, the Large Commercial Food
17 Service Program, the Large Commercial Hospitality and Lodging
18 Program and the Commercial Large Cleaners and Laundromat
19 Program.

20 **Q. HAVE YOU PREPARED SCHEDULES THAT INCLUDE THE**
21 **COMPANY'S CONSERVATION PROGRAM EXPENDITURES FOR**
22 **THE CURRENT (2025) AND PROJECTED (2026) PERIODS?**

1 A. Yes. Schedule C-3, Exhibit JHM-2 provides actual conservation
2 expenses for the January 2025 through June 2025 period and projected
3 conservation expenses for the July 2025 through December 2025
4 period. Schedule C-2, Exhibit JHM-2 provides the projected 2026
5 conservation programs costs.

6 **Q. HAVE YOU PREPARED A SCHEDULE THAT INCLUDES THE**
7 **COMPANY'S CONSERVATION RELATED REVENUES FOR 2025?**

8 A. Yes. Schedule C-3 (page 4 of 5), Exhibit JHM-2, provides actual
9 conservation revenues for the January 2025 through June 2025 period,
10 and projected conservation revenues for the July 2025 through
11 December 2025 period.

12 **Q. WHAT IS THE COMPANY'S ESTIMATED TRUE-UP FOR THE**
13 **PERIOD JANUARY 1, 2025, THROUGH DECEMBER 31, 2025?**

14 A. The Company anticipates an under-recovery of \$2,500 for the year
15 2025, as calculated on Schedule C-3, Page 4, Line 11, Exhibit JHM-2.

16 **Q. WHAT IS THE TOTAL COST THE COMPANY SEEKS TO RECOVER**
17 **DURING THE PERIOD JANUARY 1, 2026, THROUGH DECEMBER**
18 **31, 2026?**

19 A. As indicated in Schedule C-1, Exhibit JHM-2, the Company seeks to
20 recover \$48,195 during the referenced period. This amount represents
21 the projected costs of \$45,695 to be incurred during 2026, plus the
22 estimated true-up of \$2,500 for calendar year 2025.

1 **Q. WHAT ARE THE COMPANY'S PROPOSED ENERGY**
2 **CONSERVATION COST RECOVERY FACTORS FOR EACH RATE**
3 **CLASS FOR JANUARY 2026 THROUGH DECEMBER 2026**
4 **PERIOD?**

5 A. Schedule C-1, Exhibit JHM-2, provides the calculation of the
6 Company's proposed ECCR factors for 2026.

7 The requested Conservation Adjustment Factors per therm for Sebring
8 Gas System are:

9	TS-1	\$.15845
10	TS-2	\$.07183
11	TS-3	\$.04550
12	TS-4	\$.04041

13 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

14 A. Yes.

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

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1. BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2. In Re: Conservation Cost
Recovery Clause

Docket No. 20250004-GU
Filing Date: April 29, 2025

3. _____/

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5. DIRECT TESTIMONY OF DEBBIE STITT ON
6. BEHALF OF ST. JOE NATURAL GAS COMPANY, INC.

6.

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

9. A. Debbie Stitt, 301 Long Avenue, Port St. Joe, Florida 32456
10. St. Joe Natural Gas Company in the capacity of Energy
11. Conservation Analyst.

12. Q. What is the purpose of your testimony?

13. A. My purpose is to submit the expenses and revenues
14. associated with the Company's conservation programs
15. during the twelve-month period ending December 31, 2024
16. and to identify the final true-up amount related to that
17. period.

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

20. A. Yes, I have prepared and filed together with this testimony
21. this 29th day of April, 2025 Schedules CT-1 through
22. CT-5 prescribed by the Commission Staff which have
23. collectively been entitled "Adjusted Net True-up for
24. twelve months ending December 31, 2024" for identi-
25. fication

1. Q. What amount did St. Joe Natural Gas spend on conser-
2. vation programs during the period?

3. A. \$143,000.00

4. Q. What is the final true-up amount associated with this
5. twelve-month period ending December 31, 2024?

6. A. The final true-up amount for December 31, 2024 is
7. an over-recovery of \$62,434.

8. Q. Does this conclude your testimony?

9. A. Yes

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1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2 In Re: Conservation Cost)
 Recovery Clause)
3 _____) Docket No.20250004-GU
 Submitted for Filing
 August 4, 2025

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5 DIRECT TESTIMONY OF DEBBIE STITT ON BEHALF OF
6 ST. JOE NATURAL GAS COMPANY, INC.

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

9 A. Debbie Stitt, 301 Long Avenue, Port St. Joe, Florida
10 32456, St Joe Natural Gas Company in the capacity of
11 Energy Conservation Analyst.

12 Q. What is the purpose of your testimony?

13 A. My purpose is to submit the known and projected expenses and
14 revenues associated with SJNG's conservation programs incurred
15 in January thru June 2025 and projection costs to be incurred
16 from July 2025 through December 2025. It will also include
17 projected conservation costs for the period January 1
18 through December 31, 2026 with a calculation of the conservation
19 adjustment factors to be applied to the customers' bills during
20 the January 1, 2026 through December 31, 2026 period.

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

22 A. Yes, I have prepared and filed to the Commission the 4th day of
23 August 2025 Schedule C-1 prescribed by the Commission Staff
24 which has collectively been titled Energy Conservation Adjustment
25 Summary of Cost Recovery Clause Calculation for months January

1 1, 2026 through December 31, 2026 for identification.

2 Q. What Conservation Adjustment Factor does St. Joe Natural Gas
3 seek approval through its petition for the twelve-month period
4 ending December 31, 2026?

5 A. \$.19986 per therm for RS-2, and \$.14613 per therm for RS-3,
6 \$.09243 per therm for GS-1, \$0.06071 per therm for GS-2,
7 and \$0.03308 per therm for GS-4/FTS-4

8 Q. Does this conclude your testimony?

9 A. Yes.

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1 CHAIRMAN LA ROSA: Let's go ahead and move to
2 exhibits.

3 MR. FAROOQI: Staff has compiled a stipulated
4 Comprehensive Exhibit List, which includes the
5 prefiled exhibits attached to the witnesses'
6 testimony in this case. The list has been provided
7 to all the parties, the Commissioners and the court
8 reporter.

9 Staff requests that the list be marked as the
10 first hearing exhibit, and the other exhibits
11 marked as set forth in the Comprehensive Exhibit
12 List.

13 CHAIRMAN LA ROSA: Great. Then the exhibits
14 are so marked.

15 (Whereupon, Exhibit Nos. 1-28 were marked for
16 identification.)

17 MR. FAROOQI: And staff requests that the
18 Comprehensive Exhibit List, marked as Exhibit No.
19 1, be entered into the record.

20 CHAIRMAN LA ROSA: Exhibit 1, then, is
21 marked -- is entered.

22 (Whereupon, Exhibit No. 1 was received into
23 evidence.)

24 MR. FAROOQI: Staff requests that Exhibits 2
25 through 28 be moved into the record as set forth on

1 the Comprehensive Exhibit List.

2 CHAIRMAN LA ROSA: Are there objections?

3 Seeing no objections, then 2 through 28 will be
4 entered into the record.

5 (Whereupon, Exhibit Nos. 2-28 were received
6 into evidence.)

7 MR. FAROOQI: All right. And then regarding
8 the stipulations, because the parties have reached
9 Type 2 stipulations, with the intervenors not
10 objecting to the Commission considering the
11 stipulations on all issues in this case, staff
12 suggests that Commission make a bench decision in
13 this docket because the parties agreed to waive
14 post-hearing briefs, and staff is available for any
15 questions.

16 CHAIRMAN LA ROSA: Okay. That seems accurate.
17 Seeing no objections.

18 Commissioners, back to us to ask this
19 question, if there is questions on this case. If
20 not, I am open for a motion.

21 COMMISSIONER PASSIDOMO SMITH: Mr. Chair, I
22 would move to approve the proposed Type 2
23 stipulations as shown on pages eight through 13 of
24 the Prehearing Order.

25 CHAIRMAN LA ROSA: Hearing a motion, is there

1 a second?

2 COMMISSIONER GRAHAM: Second.

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

5 All those in favor signify by saying yay.

6 (Chorus of yays.)

7 CHAIRMAN LA ROSA: Yay.

8 Opposed no?

9 (No response.)

10 CHAIRMAN LA ROSA: Show that the motion is
11 approved.

12 Are there any other matters that need to be
13 addressed in 04?

14 All right. Seeing -- is there one?

15 MR. FAROOQI: I was going to agree with you,
16 yes, all issues have been stipulated and approved
17 by the Commission, so we have no additional.

18 CHAIRMAN LA ROSA: Okay. Awesome. Then let's
19 go ahead let's move to 07.

20 (Proceedings concluded.)

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1 CERTIFICATE OF REPORTER

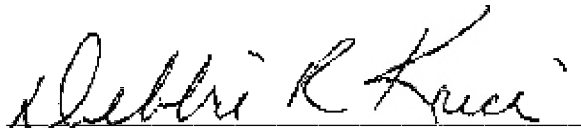
2 STATE OF FLORIDA)
3 COUNTY OF LEON)
45 I, DEBRA KRICK, Court Reporter, do hereby
6 certify that the foregoing proceeding was heard at the
7 time and place herein stated.8 IT IS FURTHER CERTIFIED that I
9 stenographically reported the said proceedings; that the
10 same has been transcribed under my direct supervision;
11 and that this transcript constitutes a true
12 transcription of my notes of said proceedings.13 I FURTHER CERTIFY that I am not a relative,
14 employee, attorney or counsel of any of the parties, nor
15 am I a relative or employee of any of the parties'
16 attorney or counsel connected with the action, nor am I
17 financially interested in the action.18 DATED this 12th day of November, 2025.
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DEBRA R. KRICK
NOTARY PUBLIC
COMMISSION #HH575054
EXPIRES AUGUST 13, 2028