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April 20, 2026

BY E-FILING

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

Re: Docket No. 20260026-GU – Application for Rate Increase by Florida City Gas.


Dear Mr. Teitzman:

Attached, for electronic filing, on behalf of Florida City Gas, please find the Direct Testimony of Jessica Husted, as well as her Exhibits JH-1 and JH-2.

Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions whatsoever.

(Document 8 of 27)

Sincerely,


Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Docket No. 20260026-GU: Petition for rate increase by Florida City Gas

Prepared Direct Testimony of Jessica Husted

Date of Filing: April 20, 2026

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1 **I. Introduction**

2 **Q. Please state your name, occupation and business address.**

3 A. My name is Jessica Husted. My business address is 1635 Meathe Drive, West Palm
4 Beach, FL 33411. I am employed by Chesapeake Utilities Corporation (“CUC” or
5 “Chesapeake”) as the Manager of Regulatory Affairs. Chesapeake is the parent
6 company of Florida City Gas (“FCG”).

7 **Q. Please describe your educational background and relevant professional**
8 **experience.**

9 A. I received a Bachelor of Science in Accounting and Business Administration and a
10 Master of Accounting from Nova Southeastern University. I have been employed with
11 Chesapeake since 2014. I worked in the internal audit department as a Manager,
12 Internal Audit, where I managed and performed various operational and financial
13 audits and testing to ensure compliance with Sarbanes Oxley requirements, prior to
14 moving into the regulatory department in 2025. This role includes regulatory analysis
15 and filings before the Florida Public Service Commission (“Commission”) for FCG.

16 **Q. Have you previously filed testimony before the Florida Public Service**
17 **Commission?**

18 A. Yes, I have provided written testimony on behalf of Florida Public Utilities
19 Company’s Electric Division, in Docket Nos. 20250001-EI and 20250010-EI.

20 **Q. How will you refer to the Company?**

21 A. For clarity, when referring to Florida City Gas, I will refer to it as “FCG” or the
22 “Company.” When referring to Chesapeake Utilities Corporation, the parent company,
23 I will refer to it as “CUC” or “Chesapeake.”

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II. Statement of Qualifications

Q. Please describe your current responsibilities.

A. My current responsibilities include managing the regulatory activities for CUC’s regulated distribution companies within Florida. This includes regulatory analysis and preparation of routine and non-recurring special filings, including rate case proceedings, before the Commission.

III. Purpose of Testimony

Q. What is the purpose of your testimony?

A. The purpose of my direct testimony is to present and explain the basis for estimated rate case expense, miscellaneous and other revenues, and the Area Extension Program (“AEP”). I will also provide an overview of the explanations for the Minimum Filing Requirements (“MFR”) benchmark variances. My testimony will support certain costs on historical and projected data presented in the MFRs listed in Exhibit JH-1.

Q. Are you sponsoring any exhibits in this proceeding?

A. Yes. I am sponsoring Exhibits JH-1 and JH-2. JH-1 is a list of MFR’s that I am sponsoring or co-sponsoring. JH-2 provides an overview of the explanations for the MFR benchmark variances.

IV. Estimated Rate Case Expense

Q. Please explain the Company’s projected rate case expenses included on MFR Schedules C-13 and G2 page 19h.

1 A. The Company based its projected rate case expenses on a detailed estimate of expected
2 expenditures necessary to not only prepare this rate case application but assist with the
3 proceeding through the final order. These projections were based on the assumption
4 that this case will go to a fully litigated hearing. The Company has hired consultants
5 to help develop and support schedules for the cost of capital, acquisition adjustment,
6 cost of service study, weather normalizing billing determinants, rate design, and tariff
7 modifications in this proceeding. Rate case expenses on MFR Schedule C-13 include
8 actual and estimated labor costs, consulting costs, and attorney costs directly related
9 to preparing and supporting the rate case filings, and to support the discovery process
10 and preparation for hearings after the filing is made. The Company estimates the
11 incremental expenses related to this rate case to be \$4,215,262, as shown on MFR
12 Schedule C-13, and is requesting to recover these expenses at a rate of \$843,052 per
13 year over a five-year period, as shown on MFR Schedule G2-19h. However, if this
14 rate case were to be appealed and sent to the Florida Supreme Court, the Company
15 estimates the total incremental expenses would be \$5,546,019. This represents an
16 additional increase that would be needed to our projected total rate case expense in
17 this current case of \$1,330,757.

18 Use of the five-year amortization period will allow the Company to spread the rate
19 case expense over a slightly longer period of time, which will therefore reduce the
20 impact on customers' bills. The Commission has allowed other companies to use a
21 five-year amortization in the past. Specifically, in Order No. PSC-2023-0103-FOF-
22 GU, issued in Docket No. 20220067-GU, the Commission authorized Florida Public
23 Utilities Company ("FPUC") to use a five-year amortization period for rate case

1 expense. Therein, the Commission recognized that it is appropriate to amortize rate
2 case expense over the period of time between rate case proceedings and then concluded
3 that the five-year period was appropriate.

4 **Q. What is the basis for the rate case expense included in the projected test year?**

5 A. The Company has projected rate case expense based on specific forecasts including
6 the cost to use consultants and staffing to assist in the preparation and continuing
7 support of the rate case. The Company is not regularly staffed at a level sufficient to
8 support both the daily functions of the Company and the additional workload
9 associated with the preparation of a rate proceeding, including MFRs, nor the
10 additional workload required after the MFRs are filed. Additionally, outside of a rate
11 proceeding, the Company does not retain expertise in certain areas which is necessary
12 for the preparation of a rate case. Instead, the Company hires the necessary, outside
13 expertise and extra assistance to help complete the process when a rate proceeding
14 becomes necessary. Specifically, FCG utilizes various external consultants to assist in
15 the areas of preparation of the cost of capital, cost of service, rate design, billing
16 determinants, and tariffs. The Company has determined, over time, that it is more
17 prudent to hire some experts and extra assistance as needed. FCG is also utilizing full-
18 time temporary staff to assist with the rate case beyond the normal workload of the
19 regulatory and finance departments.

20 **Q. Why should the Company recover the additional staffing costs related to rate case**
21 **expense?**

22 A. The Company normally maintains a staffing level that allows for efficient and safe
23 delivery of service to customers. However, for a rate proceeding such as this, the

1 extraordinary time and labor required exceeds the scope of normal operations. At
2 current normal staffing levels, it would not be feasible to support the rate case filing.
3 Because a rate case filing is outside the norm and does not typically occur at regular
4 intervals, the Company considers the estimated rate case expenses to be outside the
5 scope of normal O&M and unique to this filing.

6 If the Company were, instead, regularly staffed at the level necessary to handle rate
7 cases entirely in-house, staffing costs would be significantly higher on an annual basis
8 and have a more significant impact on rates than the amortization of rate case expense
9 proposed in this proceeding. The Company has found that incurring periodic costs for
10 rate case expense is the better approach and results in overall lower costs than would
11 otherwise be incurred if the Company is staffed at a level that allowed preparation of
12 a full rate proceeding using only internal resources. This approach is ultimately an
13 overall benefit to FCG's customers.

14

15 **V. Miscellaneous Service Charges**

16 **Q. Is the Company proposing any changes to the Service Charges in this filing?**

17 A. Yes. The Company's proposed service charges are provided in the required MFR
18 Schedules E-3 pages 1 to 6. Each service charge was independently evaluated in order
19 to determine the appropriate cost and revenue requirement.

20 Specifically, each component of the task associated with a service fee was identified,
21 tagged, and assigned a time involved to complete. To do this, the FCG operations
22 department reviewed historical work orders, and the field technicians and customer
23 service team were consulted in the process. Labor costs, transportation costs and

1 overheads were applied to the tasks based upon the estimated time to perform the job.
 2 Then, based on the historical work order data and operations department responses
 3 regarding the typical costs and average time to complete, final service charge amounts
 4 were determined. In addition, these revised service charges align with FPUC’s service
 5 charges in preparation for any future consolidation of the entities.

6 With this filing, the Company proposes the following revised service charges:

Current Service Charges		Proposed Service Charges	
Connect Charge (Residential)	\$90	Connect Charge (Residential)	\$95
Connect Charge (Non-Residential)	\$150	Connect Charge (Non-Residential)	\$150
Reconnection Charge (Residential)	\$90	Reconnection Charge (Residential)	\$90
Reconnection (Non-Residential)	\$105	Reconnection (Non-Residential)	\$120
Failed Trip Charge	\$20	Failed Trip Charge	\$55
Change of Account	\$20	Change of Account	\$55
Temporary Disconnect	\$35	Temporary Disconnect	\$55
Connect Charge (R) (Outside Business Hours)	\$110	Same Day/Outside Business Hours Charge	\$200
Connect Charge (NR) (Outside Business Hours)	\$200		
Reconnection (R) (Outside Business Hours)	\$105		
Reconnection (NR) (Outside Business Hours)	\$120		
Temporary Disconnect (Outside Business Hours)	\$45		
Bill Collection in Lieu of disconnection	\$25	Proposing to Remove Charge	N/A
Bill Collection in Lieu of disconnection (Outside Business Hours)	\$32		
Meter Read (Outside Normal Schedule)	\$15		
Meter Read (ONS) (Outside Business Hours)	\$22		

- 7
- 8 • A service charge for the initial connection of a service is proposed at \$95.00 for
 - 9 residential customers and \$150.00 for commercial customers.
 - 10 • A service charge for the reconnection of a service is proposed at \$90.00 for
 - 11 residential customers and \$120.00 for commercial customers.
 - 12 • A service charge to temporarily disconnect and then reconnect a service due to
 - 13 customer request is proposed at \$55.00.
 - 14 • A service charge for making changes to an existing account is proposed at \$55.00.

- 1 • A service charge for failure by the customer to be at the designated service location
2 when the customer has scheduled services (i.e. missed appointment) is proposed
3 at \$55.00.
- 4 • Due to safety concerns for FCG's employees, the Company no longer performs
5 collection activities in the field. Therefore, the Company proposes to remove the
6 service charge used during collection activities in the field which was \$25.00.
- 7 • A service charge used for service requests after hours is proposed at \$200.00. After
8 hours is defined as any time outside the hours of 8:00 a.m. to 5:00 p.m., Monday
9 through Friday.

10 **Q. Please explain how the revenue associated with miscellaneous charges was**
11 **projected.**

12 A. Projected miscellaneous charge revenues were calculated by applying the proposed
13 service charge amounts previously discussed to a projected level of occurrences for
14 each charge category.

15

16 **VI. Other Revenues**

17 **Q. Please explain how non-weather sensitive and negotiated rate customer revenues**
18 **were projected.**

19 A. Non-weather sensitive and negotiated rate customers do not exhibit weather sensitivity
20 and do not employ trended customer counts. Therefore, forecasted billing determinants
21 for these customers were based on actual historical values from the historic base year
22 adjusted for known and measurable changes. The Company then projected their

1 applicable customer revenues using these billing determinants multiplied by their
2 applicable rates.

3 **Q. Please explain how other revenues were projected.**

4 A. Other revenues include Third Party Supplier charges, late payment charges, non-
5 sufficient funds (“NSF”) charges, and water heater interest.

6 - Third Party Supplier charges are applicable to third party suppliers selling gas
7 to FCG’s transportation customers. The Company projected this revenue using
8 the current tariff rates multiplied by actual historical number of suppliers and
9 forecasted billing determinants of transportation customers used in MFR
10 Schedule G2-6 & G2-8.

11 - Late payment and NSF charges were projected using a 3-year average based
12 on actual historical revenues.

13 - Water heater interest was projected using actual historical revenues trended for
14 growth and inflation at a rate of 3% per year.

15

16 **VII. Area Extension Program**

17 **Q. Describe the Company’s current AEP and how it is used.**

18 A. Given that the AEP is a variation on the cost recovery model for extensions to serve
19 new customers, I’ll start by providing some background on how extensions to serve
20 customers are typically made.

21 Traditionally the Company, like other regulated gas utilities, extends facilities to
22 provide service in accordance with Rule 25-7.054 of the Florida Administrative Code,
23 which requires that extensions be made at no cost to the customer when the capital

1 investment necessary to extend the Company’s facilities to provide service is equal to
2 or less than the Maximum Allowable Construction Cost (“MACC”). Under the rule,
3 the MACC equates to four times the estimated annual gas revenue to be derived from
4 the facilities less the cost of gas. The underlying purpose of this requirement is to
5 ensure that extensions are made to serve new customers with no upfront cost to the
6 customer, as long as the anticipated revenue obtained through service to the new
7 customer will provide the utility with a reasonable opportunity to recoup its initial
8 capital investment in the new facilities within a reasonable amount of time. Over the
9 years, several companies have sought permission to adjust their MACC calculation,
10 including FCG, which received approval to set its MACC at six times the estimated
11 annual gas revenue. In instances, however, where the required investment cost
12 exceeds the MACC, the customer is required to pay an advance, or Contribution in
13 Aid of Construction (“CIAC”), for the difference that exceeds the MACC.

14 The AEP program is another way to recover construction costs that are in excess of
15 the MACC per FCG’s current tariff. The AEP is a Commission-approved tariffed
16 program designed to provide the Company with an optional method to recover the
17 capital investment that exceeds the MACC for extensions of natural gas service to new
18 customers in a discrete geographic area. The AEP tariff provides for the determination
19 of a monthly volumetric charge applicable to all natural gas customers located in the
20 geographic area based upon the extension cost that exceeds the MACC amortized over
21 a period of up to 10 years. The AEP charge is applied as a volumetric dollar amount
22 and is calculated by a formula based on the amount of investment required and the

1 projected gas sales and resulting revenues collected from customers in the AEP area.
2 FCG currently has 12 active AEP projects.

3 **Q. Explain how the Company seeks to modify its existing AEP.**

4 A. FCG's AEP program has been in effect since April 24, 1995, in accordance with Order
5 No. PSC-95-0506-FOF-GU, issued in Docket No. 950206-GU. With the acquisition
6 of FCG by CUC, it has been determined that the following additional changes would
7 be beneficial to the program in order to align the program with that of its sister
8 company, FPUC natural gas, in preparation for any future consolidation of the entities.
9 Currently, FCG's AEP surcharge is a volumetric rate billed to customers within an
10 applicable discrete geographic area over a ten-year amortization period. The AEP
11 surcharge is calculated by dividing (1) the amount of additional revenue required in
12 excess of the Company's applicable tariff rate by (2) the volume of gas reasonably
13 forecast to be sold or transported to customers with the applicable discrete geographic
14 area during the ten-year amortization period. Periodically, throughout the amortization
15 period, the Company reassesses the AEP surcharge and any resulting adjustments are
16 applied over the remainder of the amortization period. This method of recovery,
17 particularly the use of the volumetric charge and the necessity to recalculate and adjust
18 the charge in later periods has resulted in customer confusion and complexities in
19 administration of the surcharge.

20 As such the Company proposes to adjust FCG's AEP program in the following
21 manner:

- 1 1. The AEP Recovery Amount should be divided by the number of customer
2 premises projected to be served at the end of the completed build out date of
3 the extension.
- 4 2. The Amortization Period should apply individually to each premise and not
5 exceed one hundred twenty (120) Billing Months. In the event a premise
6 becomes inactive, the Amortization Period should be suspended until the
7 premise is reactivated.
- 8 3. The AEP Surcharge will change from a volumetric rate to a fixed rate.
9 Therefore, the reassessment of the AEP surcharge will be eliminated. Since
10 the Company is collecting a fixed AEP surcharge applicable to each customer
11 premise to which service is implemented over the ten years following the in-
12 service date of the extension facilities, the Company is more assured of
13 recovering its costs for the extension and therefore, the recalculation of the
14 AEP Surcharge is no longer necessary.

15 The Company believes that these changes will make the program less confusing for
16 customers, reduce inquiries from customers about billing under the AEP, and allow
17 for more straightforward administration of the AEP surcharge by the Company. The
18 Company will continue to calculate the AEP rate based on the number of projected
19 premises located on the extension facilities. This will result in a fixed (monthly) AEP
20 recovery charge to the applicable customers and therefore, assure cost recovery for the
21 extension by the Company. The revenues from the AEP surcharge will continue to be
22 credited against the Company's distribution main plant account, while the Company
23 will retain its return on the capital investment equal to its allowed cost of capital that

1 will be established in the rate proceeding. The AEP Surcharge is found on Original
2 Sheet No. 6.152 of the proposed Tariff.

3 **Q. What is the Company proposing in relation to the existing AEP projects?**

4 A. If the Commission approves the Company's requested rate increase, the Company
5 expects to receive higher revenues over the life of the existing AEP projects than was
6 initially anticipated when the existing surcharges were developed. As a result, the
7 Company is proposing to discontinue the current AEP surcharges when new rates go
8 into effect for existing projects and to transfer all un-recovered excess construction
9 costs from the current AEP program as of December 31, 2026, to the applicable capital
10 plant construction account. This is similar to the approach approved in FPUC's prior
11 rate case in Order PSC-2023-0103-FOF-GU when the Commission permitted the
12 remaining costs associated with existing AEP projects to be included within rate base.

13

14 **VIII. MFR Benchmarking**

15 **Q. Would you please discuss the variances to benchmark as found on MFR Schedule**
16 **C-34 through C-38.**

17 A. In MFR Schedule C-34, the Company calculated the O&M benchmark variances
18 between the 2021 historic base year used in FCG's last rate case conducted in Docket
19 No. 20220069-GU and this rate case's historic base year of 2025. In 2025, expenses
20 exceeded 2021 expenses adjusted for inflation by approximately \$8.74 million. While
21 2025 expenses exceeded inflation, FCG's average estimated cost per customer in 2025
22 of \$347 was still below the American Gas Association's average of \$366. FCG's
23 average was in line with People's Gas 2024 estimated cost per customer average of

1 \$343 and below Florida Public Utilities Company's 2024 average of \$492. This
2 demonstrates FCG's ability to effectively manage costs and the prudence of the cost
3 levels.

4 Regarding the benchmarking variances, based upon review of the MFRs submitted in
5 FCG's 2022 rate case and internal analysis, it appears that the prior owner of FCG
6 utilized a different approach with respect to reporting by FERC accounts and the detail
7 provided therein as compared to CUC's use of FERC accounts. Explaining variances
8 by each FERC account category on the benchmarking schedules, is therefore not
9 comparing costs on an "apples to apples" basis. The Company believes it is more
10 appropriate to explain the variances on a whole rather than separate FERC categories.
11 The Company has been able to work through and resolve several of the differences but
12 has not yet been able to fully determine all the reasons for the resulting variances.
13 FCG continues to review information as it becomes available and will provide
14 additional material updates, if any. It is, however, notable that while variances
15 between specific accounts have presented challenges, on a consolidated basis, the
16 variances are much less pronounced and explainable. The explanations for the
17 benchmark variances explained on a consolidated basis are shown in Exhibit JH-2.

18 **Q. Does this conclude your direct testimony?**

19 A. Yes.

Florida City Gas
Witness Jessica Husted's Sponsored and Co-Sponsored MFRs

SCHEDULE	TITLE	WITNESS
C-13	Rate Case Expenses	J. Husted
C-34	O & M Benchmark Comparisons	J. Husted
C-35	O & M Benchmark By Function	J. Husted
C-37	O & M Compound Multiplier	J. Husted
C-38	O & M Benchmark Variance By Function	J. Husted
E-3 1 of 6	Connections and Reconnections - Residential Customer	J. Husted
E-3 2 of 6	Connections and Reconnections - Commercial Customer	J. Husted
E-3 3 of 6	Disconnection and Reconnections - Residential Customer	J. Husted
E-3 4 of 6	Disconnection and Reconnections - Commercial Customer	J. Husted
E-3 5 of 6	Collection in Lieu of Disconnection	J. Husted
E-3 6 of 6	Administrative Costs For Name and/or Billing Address Changes	J. Husted
G2-6	Historic Base Year + 1 - Revenues and Cost of Gas	J. Baugh, J. Husted, J. Taylor
G2-7	Historic Base Year + 1 - Revenues and Cost of Gas (Cont.)	J. Baugh, J. Husted, J. Taylor
G2-8	Projected Test Year - Revenues and Cost of Gas (Current Rate Class)	J. Baugh, J. Husted, J. Taylor
G2-9 to G2-11	Projected Test Year - Revenues and Cost of Gas (Current rates-proposed rate classes)	J. Baugh, J. Husted, J. Taylor
G2-18	Projected Test Year - Calculation of Admin. and General Expenses (Cont.)	J. Baugh, G. Navo, J. Husted, N. Russell
G2-19g-h	Projected Test Year - Over and Under Adjustments - Projected Years	A. Bhatwadekar, B. Gilliam, G. Navo, J. Husted, K. Estrada, M. Everngam, M. Galtman, N. Russell, W. Haffecke

FERC Functional Group	\$ Impact	Reason for Increase
Cost of Gas	\$927,482	This increase is related to a negative Cost of Gas balance in 2021. All Cost of Gas expenses have been removed in this case. The Company cannot determine why the prior owners recorded a negative balance in the 2022 rate case.
Conservation	\$1,738	This increase is related to a negative Conservation balance in 2021. All Conservation expenses have been removed in this case. The Company cannot determine why the prior owners recorded a negative balance in the 2022 rate case.
Operations & Maintenance	\$480,289	There was an increase of 15 FTEs in FCG headcount following the 2021 base year prior to the acquisition by CUC, of which it appears that seven FTEs were over what was included in the 2022 rate case. This amount reflects the additional salary and overhead related to those positions.
Operations & Maintenance	\$765,020	In the 2022 rate case's historic base year of 2021, FCG employees were not unionized at the time. Shortly after CUC's acquisition of FCG, CUC successfully negotiated a three-year union contract that included benefits and established pay rates and increases, which is further discussed in the testimony of Company Witness Barrington.
Operations & Maintenance	\$218,395	Upon acquisition of FCG by CUC, payroll for non-union employees increased in order to align FCG employee pay with that of other similarly situated CUC employees and at market based rates.
Operations & Maintenance	\$58,208	There were additional costs related to leak detection vehicles that were acquired after 2021.
Operations & Maintenance	\$1,335,449	As previously mentioned, the Company has noticed some differences in the way the prior owner and CUC approach the application of some FERC accounts. In the 2021 Annual Report, fleet expenses were included within account 930.2 Miscellaneous General Expenses, while under its new ownership fleet expenses are allocated across the applicable Operations & Maintenance expense accounts. This amount represents the benchmark of the fleet expenses in 2021.

Operations & Maintenance	\$12,420	This amount represents increases in rent for railway crossings in excess of growth and inflation.
Operations & Maintenance	\$787,524	There has been a significant increase in construction activity across the FCG service territory which relates to higher line locate requests. They have increased approximately 40% since 2021. This is necessary to ensure underground utilities are properly identified and marked before work begins.
Production & Storage	\$698,202	This amount represents the expenses in 2025 related to the LNG facility. In 2021, the LNG facility originally approved in Order No. PSC-2018-0190-FOF-GU, Docket No. 20170179-GU, was not yet in service, and therefore had very minimal expenses at that time. The LNG facility was placed into service in April of 2023 and is further discussed in the testimony of Company Witness Haffecke.
Customer Accounts	\$270,850	This increase represents additional costs related to the upgraded billing system. The costs for the billing system reflect ongoing annual costs required to operate and maintain the modernized billing, customer care, and field service systems that replaced FCG's legacy platforms. These systems require continuous support, staffing, monitoring, and process management to ensure accurate billing, reliable service delivery, and effective digital self-service, all of which are treated as recurring operating expenses. The benefits of the upgraded billing system are further discussed in the testimony of Company Witness Estrada.
Admin & General	(\$1,335,449)	As previously mentioned, the Company has noticed some differences in the way the prior owner and CUC approach the application of some FERC accounts. In the 2021 Annual Report, fleet expenses were included within account 930.2 Miscellaneous General Expenses, while under its new ownership fleet expenses are allocated across the applicable Operations & Maintenance expense accounts. This amount represents the benchmark of the fleet expenses in 2021.
Admin & General	(\$410,626)	Another difference in the way the prior owner and CUC approached the application of some FERC


		accounts is related to the regulatory assessment fees. In 2021, the regulatory assessment fees were booked to FERC account 928, wherein, under CUC, they are booked to FERC account 408.1 taxes other than income. This amount represents the 2021 regulatory assessment fees expense benchmark that is not included in the 2025 O&M expenses being analyzed.
Admin & General	\$36,746	In Order No. PSC-2023-0177-FOF-GU, Docket No. 20220069-GU, the PSC approved the four-year amortization of rate case expense. In 2025, there was \$442,804 in amortization expense, an increase above inflation of the prior annual rate case expense amortization of \$36,746.
Admin & General	\$900,000	Prior to the acquisition by CUC, FCG employees participated in NextEra's defined benefit pension plan. There was net benefit income included in FCG's 2021 O&M that would no longer be present in 2025 as FCG employees do not participate in a pension plan with CUC.
Admin & General	\$552,525	After the acquisition by CUC, all eligible employees were allowed to participate in CUC's 401(k) Retirement Savings Plan. CUC matches up to six percent of eligible compensation. The benefits of the 401(k) plan are further discussed in the testimony of Company Witness Barrington.
Admin & General	\$250,597	This amount represents an increase above inflation in audit fees since 2021. After the acquisition by CUC, the Corporation's external auditors included FCG in their annual audit of CUC's financial statements and internal control framework.
Admin & General	\$593,179	As a subsidiary of CUC, FCG now benefits from the Corporation's governance and oversight of CUC's Board of Directors. This amount reflects FCG's portion of costs related to Board of Director meetings and fees.
Admin & General	\$1,102,379	This amount represents costs in 2025 related to the integration of FCG into CUC. The costs were necessary business expenses to provide licenses for billing software, transaction services agreement ("TSA") costs, and IT and legal support. This is further

		discussed in the testimony of Company Witness Navo.
Admin & General	\$1,627,770	This amount represents IT maintenance agreements recorded in FERC account 921 in 2025. The Company is unable to determine which FERC account similar expenses were recorded in for 2021 and CUC believes they were recorded in a different FERC account at that time or were possibly paid by an affiliate company. In addition, to the account inconsistencies, costs have increased due to increased cyber security as well as upgrades to the Company's website and customer portal to improve how customers interact with FCG. These upgrades have also improved the security of the customer payment process and the protection of customer data. In addition, the Company has deployed modern field service and work order management tools, enabling mobile processing, improved scheduling, and real-time updates, through cloud-based platforms that include fees and software maintenance. IT enhancements at FCG are further discussed in the testimony of Company Witness Bhatwadekar.
Admin & General	\$1,988,807	This increase reflects both market-wide insurance premium increases and a deliberate strategy to protect customers from volatility. Deductibles and a reduced excess attachment point (\$2M vs. prior \$5M) were changed to limit customer exposure to large claims. In addition, FCG uses financially strong insurers, including mutual carriers such as AEGIS, to ensure stable pricing and effective long-term risk management. This amount includes the increase in the insurance costs reported in FCG's 2021 annual report compared to the 2025 historic base year costs. Changes to FCG's insurance costs are further addressed in the testimony of Witness Russell.
	\$10,861,505	Total Amount Above

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Testimony and Exhibits of Jessica Husted have been furnished by Electronic Mail to the following parties of record this 20th day of April, 2026:

Jennifer Crawford Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399 jcrawfor@psc.state.fl.us	Office of Public Counsel Walter Trierweiler/Charles Rehwinkel c/o The Florida Legislature 111 West Madison Street, Room 812 Tallahassee, FL 32399-1400 Trierweiler.walt@leg.state.fl.us Rehwinkel.Charles@leg.state.fl.us
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