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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.**

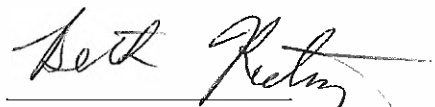
Dear Mr. Teitzman:

Attached, for electronic filing, on behalf of Florida City Gas, please find the Direct Testimony of Brian Gilliam, as well as his Exhibit BG-1.

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 11 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 Brian Gilliam

Date of Filing: April 20, 2026

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1 **I. Introduction**

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

3 A. My name is Brian Gilliam. My business address is 208 Wildlight Avenue, Yulee, FL  
4 32097.

5 **Q. By whom are you employed, and what is your position?**

6 A. I am employed by Chesapeake Utilities Corporation as the Director of Business  
7 Analytics.

8 **Q. Have you filed testimony before the Florida Public Service Commission in prior  
9 cases?**

10 A. No. I have not.

11 **Q. Have you previously provided testimony before other regulatory bodies?**

12 A. No, I have not.

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

14 A. When referring to the Florida City Gas, I will refer to it as "FCG" or the "Company."  
15 When referring to Chesapeake Utilities Corporation, the parent company, I will refer  
16 to it as "Chesapeake" or "CUC."

17

18 **II. Statement of Qualifications**

19 **Q. Please describe your educational background and professional experience.**

20 A. In 2012, I received a Bachelor of Science in Finance as well as a Bachelor of Science  
21 in Leisure Management from the University of Florida in Gainesville, FL.  
22 Additionally, I pursued post-graduate studies and earned my master's in business  
23 administration (MBA) from the University of Central Florida. I have been in my

1 current position as Director of Business Analytics with Chesapeake Utilities  
2 Corporation since March 2025. Prior to joining Chesapeake, I have held various  
3 Finance and leadership roles including Senior Manager of Finance, Global Supply  
4 Chain Financial Planning and Analysis (FP&A) with Johnson and Johnson as part of  
5 their Global Contact Lens and Surgical Vision Finance department; Director of FP&A  
6 with Cox Communications, a privately-owned and domestic telecommunications  
7 provider; as well as other finance-based leadership positions at both The Home Depot  
8 and Brambles, Inc.

9 **Q. Please describe your current responsibilities**

10 A. As the Director, Business Analytics, I have responsibility for the Florida Business Unit  
11 Partnership and financial planning and analysis (FP&A) functions. I have  
12 responsibility for supporting the Business Unit Operations, Management, and  
13 Corporate Services groups, through the evaluation of Florida financial results and  
14 analytics. My team is responsible for maintaining comprehensive financial models in  
15 support of upholding best-in-class operational excellence, execution of key planning  
16 and strategic initiatives, as well as financial modeling in support of regulatory and  
17 SEC filings.

18

19 **III. Purpose of Testimony**

20 **Q. What is the purpose of your testimony?**

21 A. I will provide the forecast methodology used by the Company for forecasted Plant  
22 associated with FCG. I will also discuss AMI costs.

23 **Q. Are you sponsoring any Minimum Filing Requirements (“MFR”) in this case?**

1 A. Yes. I am sponsoring the MFRs listed in Exhibit BG-1.

2

3 **IV. Projected Plant Additions**

4 **Q. How were plant additions projected in the G1 schedules?**

5 A. FCG's plant additions reflected in the G-1 schedules were projected  
6 using a bottom-up, project-specific forecasting methodology. The Company collected  
7 projected capital expenditures from responsible project managers within the  
8 Construction Services group, based on planned construction activities and anticipated  
9 in-service dates. These project-level forecasts were reviewed and incorporated into  
10 management-approved capital plans and then evaluated for reasonableness through  
11 comparison to historical capital addition patterns. Associated retirements of assets, as  
12 well as the cost of removal, are forecasted using a two-year average historical rate.

13 The Company operates a capital-intensive business model in which long-term growth,  
14 system reliability, and customer service are achieved through disciplined investment  
15 in infrastructure and strategic assets. Capital investments are initiated through both  
16 organic growth (system expansion, reinforcement, and modernization) and inorganic  
17 growth (acquisitions, joint ventures, or strategic partnerships), each aligned with the  
18 Company's approved strategic plan and long-range demand outlook.

19 All capital projects are governed by a structured, multi-stage process designed to  
20 ensure that investments are prudent and economically justified, aligned with customer  
21 demand and operational requirements, compliant with regulatory, safety, and  
22 environmental standards, and executed with appropriate financial and operational  
23 controls.

1 A capital project begins within the Business Development function, in collaboration  
2 with Operations, Engineering, Regulatory Affairs, and Commercial teams. Potential  
3 projects may be identified through forecasted customer growth and load expansion,  
4 requests for new or expanded service from existing or prospective customers, system  
5 reliability, integrity, or safety requirements, strategic acquisitions or asset  
6 development opportunities, and regulatory or compliance-driven infrastructure needs.  
7 Each opportunity is evaluated against the company's strategy to support service  
8 territory priorities, increasing demand and customer growth, across the Florida  
9 markets, and the expansion of additional operational capabilities.

10 While a portion of our projects originate with the business development team, others  
11 are initiated through alternative processes or sources. During project inception, the  
12 Company conducts an initial feasibility study to assess strategic fit with the company's  
13 long term infrastructure plan, technical viability, regulatory considerations such as  
14 permitting, and market demand indicators. Projects that demonstrate strategic and  
15 operational merit advance to the estimating and financial evaluation stage where the  
16 Engineering and Construction Services teams develop a preliminary technical scope  
17 including conceptual design and routing, material and equipment requirements,  
18 construction standards and phasing, as well as safety, environmental, and integrity  
19 considerations. Each project is modeled for a comprehensive economic evaluation  
20 which may include Return on Equity, Internal Rate of Return, cost and demand  
21 variability measures, as well as capital efficiency indicators. Depending upon the size  
22 and scope of the project, the plant in scope is then reviewed through a structured  
23 governance process involving Sales or Business Development, Engineering and

1 Operations, Finance, Regulatory, and Legal teams for further contemplations required  
2 to move forward with the project. Following approval, the Construction Services and  
3 Project Management Organizations (PMO) facilitate and coordinate the execution of  
4 the project, including but not limited to, the estimated future required capital  
5 requirements to complete the project.

6 Furthermore, certain capital expenditures, including fleet assets and blanket capital  
7 projects, represent aggregated investments that support routine operations and  
8 infrastructure needs rather than a single large project. Fleet assets are managed under  
9 the company's vehicle replacement policy which is designed to ensure safe, reliable,  
10 and cost-effective operations while also maintaining prudent stewardship of customer  
11 and shareholder capital.

12 **Q. Is there a particular capital project for FCG with which you have been involved?**

13 A. Yes. The Company has begun an Advanced Metering Infrastructure (AMI) program  
14 implementation with construction initiating in 2026. An AMI system has three major  
15 components: (i) smart meters and associated communication modules: (ii) a  
16 communication network: and (iii) AMI back-office information technology ("IT")  
17 systems to manage the two-way communications enabled by AMI.

18 **Q. What are the costs associated with AMI that have been included in this filing?**

19 A. The AMI costs that have been included with this filing include the labor and materials  
20 required for the replacement of meters beyond a specified age, and upgrade via the  
21 implementation of an ERT to meters that do not meet that requirement, of existing  
22 meters in the Port St Lucie and Rockledge service areas. This includes the 5,000 AMI  
23 meters purchased for the pilot prior to the acquisition that have been installed and will

1 be utilized in the company's new AMI system, as addressed in Witness Haffecke's  
2 testimony. Current estimates include Labor for installation (\$7M) and Materials  
3 (\$23M, including the Meter, Meter Set assembly, ERT and Solar Battery Access  
4 Points ("SBAPs", and associated shipping and taxes) required to implement the AMI  
5 infrastructure to make it fully operational and to achieve the operational and customer  
6 benefits as intended.

7 The total capital expense forecasted to be spent throughout the installation period is  
8 approximately \$30 million and encompasses the replacement or upgrade of  
9 approximately 75,000 meters across the stated FCG territories.

10 **Q. Why are these costs necessary?**

11 A. The costs represent CUC's reasonable and prudent projection to deploy AMI assets,  
12 which will benefit FCG's customers, while also ensuring that the required Data-  
13 Management and IT infrastructure are also deployed with the highest security  
14 standards and data-governance controls. The costs associated with the Company's  
15 AMI system implementation are necessary, reasonable, and directly related to the  
16 provision of safe, reliable, and efficient natural gas service. The AMI investment  
17 represents a foundational modernization of the Company's metering and data  
18 capabilities and is consistent with prudent utility practice and evolving industry  
19 standards.

20 As addressed in greater depth by Witness Haffecke, from a safety and reliability  
21 perspective, AMI enables enhanced visibility into system performance and customer  
22 usage, allowing the Company to more quickly identify abnormal consumption patterns  
23 that may indicate leaks, meter malfunctions, or other unsafe conditions. This improved

1 situational awareness supports faster response times, proactive risk mitigation, and  
2 safer field operations, thereby reducing potential hazards to customers, employees, and  
3 the public.

4 The AMI system also extends the useful life and effectiveness of metering assets by  
5 enabling remote reads, diagnostics, and performance monitoring. These capabilities  
6 reduce manual handling of meters, lower wear and tear associated with field visits and  
7 allow for condition-based maintenance rather than time-based replacement. As a  
8 result, the Company can better manage its meter population, defer unnecessary  
9 replacements, and optimize long-term capital investment.

10 In addition, AMI provides meaningful and tangible benefits to customers. Customers  
11 gain access to more timely and accurate usage information, improved billing accuracy,  
12 and reduced estimated bills. The system also enables faster service connections,  
13 disconnections, and restorations, enhancing customer convenience and service quality.

14 Over time, these capabilities support improved customer engagement and  
15 transparency, while reducing operational inefficiencies.

16 The Company believes that AMI implementation costs are not discretionary but rather  
17 reflect a necessary investment in modern and widely adopted infrastructure that  
18 enhances safety, strengthens system reliability, improves asset management, and  
19 delivers measurable benefits to customers. These investments are integral to the  
20 Company's obligation to provide safe, reliable service and are consistent with the  
21 long-term interests of customers and the regulatory environment.

22

23 **Q. How did you select the AMI equipment you plan to use?**

1 A. The vendor selection was informed by a structured evaluation that included  
2 discussions with multiple qualified vendors and the review of informal proposals and  
3 cost estimates obtained through existing partnerships and market engagements, which  
4 collectively supported the selection of the vendor offering the most advantageous  
5 overall outcome.

6 During the review and estimation process, multiple vendors were evaluated on the  
7 basis of price, safety, IT infrastructure capabilities and support, network structure and  
8 associated costs, product capabilities, technical requirements, warehousing  
9 capabilities, and responsiveness to customer service inquiries. Additional  
10 consideration was given for prior relationships with CUC and transitional  
11 requirements to adopt the new meter infrastructure, as well as relationships with  
12 channel partners to synergize the adoption process. Ultimately, the vendor selection  
13 decision reflected a balanced assessment of both cost and non-price considerations.

14

15 **Q. Are the costs for the implementation of an AMI system prudent, reasonable, and**  
16 **necessary?**

17 A The investment in AMI is necessary to replace aging metering infrastructure, improve  
18 system visibility and operational efficiency, enhance safety and reliability, and support  
19 improved customer service and data accuracy.

20 The company's evaluation of vendors was structured to identify and appropriately  
21 evaluate available AMI solutions, to ensure that the selected partner would provide the  
22 most appropriate approach while taking into consideration account project objectives,  
23 system integration and ERP implementation requirements, execution risk, and long-

1 term operational needs. The resulting benefits are expected to reduce long-term  
2 operating costs, improve responsiveness to system events, and better position the  
3 Company to meet current and future regulatory and operational requirements.  
4 Accordingly, the costs of implementing the AMI project are prudent and reasonable,  
5 as they were made using judgement based on available information, pursuant to an  
6 approved project plan, consistent with industry practices, and aligned with the  
7 project's operational and customer-service objectives.

8

9 **Q. Will implementing an AMI system save customers money?**

10 A. While it is impossible to quantify at this time, the Company anticipates that the  
11 proposed investment will yield net benefits to customers over the long term by  
12 reducing overall costs and improving operational efficiency.

13 These efficiencies include an anticipated reduction in field service activities and  
14 associated truck roll expenses, a decrease in labor required for manual meter reading  
15 functions, and a lower volume of customer contacts to the call center as a result of  
16 improved billing accuracy, outage visibility, and enhanced customer self-service  
17 capabilities. Collectively, these operational improvements are expected to place  
18 downward pressure on ongoing operating expenses over time, further supporting the  
19 conclusion that the proposed investment will yield net benefits to customers.

20 Please reference Witness Haffecke's testimony for additional commentary related to  
21 the tangible operational benefits to be realized by both the customer and the Company.

22

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

1 A. Yes.

2

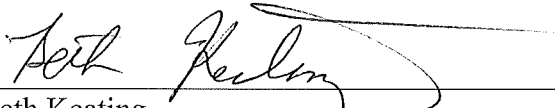
**Florida City Gas**  
**Witness Brian Gilliam's Sponsored and Co-Sponsored MFRs**

<b>SCHEDULE</b>	<b>TITLE</b>	<b>WITNESS</b>
E-6 1 of 5	Derivation of Rate Base - Plant	J. Baugh, G. Navo, B. Gilliam
G1-1	Projected Test Year Rate Base	G. Navo, B. Gilliam, J. Baugh, M. Galtman
G1-5	Historic Base Year + 1 Balance Sheet - Assets	G. Navo, B. Gilliam, J. Baugh
G1-7	Projected Test Year Balance Sheet - Assets	G. Navo, B. Gilliam, J. Baugh
G1-9	Historic Base Year + 1 - 13-Month Average Utility Plant	B. Gilliam
G1-10	Projected Test Year - 13-Month Average Utility Plant	B. Gilliam
G1-11	Historic Base Year + 1 - Depreciation Reserve Balances	B. Gilliam
G1-12	Projected Test Year - Depreciation Reserve Balances	B. Gilliam
G1-13	Historic Base Year + 1 - Amortization Reserve Balances	B. Gilliam
G1-14	Projected Test Year - Amortization Reserve Balances	B. Gilliam
G1-15	Historic Base Year + 1 - Allocation Of Common Plant	B. Gilliam
G1-16	Historic Base Year + 1 - Allocation Of Common Plant - Detail	B. Gilliam
G1-17	Historic Base Year + 1 - Allocation Of Common Plant - Detail (Cont.)	B. Gilliam
G1-18	Projected Test Year - Allocation Of Common Plant	B. Gilliam, M. Galtman
G1-19	Projected Test Year - Allocation Of Common Plant - Detail	B. Gilliam
G1-20	Projected Test Year - Allocation Of Common Plant - Detail (Cont.)	B. Gilliam
G1-21	Historic Base Year + 1 - Alloc. Of Deprec./Amort. Reserve - Common Plant	B. Gilliam
G1-22	Projected Test Year - Alloc. of Deprec./Amort. - Common Plant	B. Gilliam, M. Galtman
G1-23	Historic Base Year + 1 - Construction Budget	B. Gilliam
G1-24	Historic Base Year + 1 - Monthly Plant Additions	B. Gilliam
G1-25	Historic Base Year + 1 - Monthly Plant Retirements	B. Gilliam
G1-26	Projected Test Year - Construction Budget	B. Gilliam
G1-27	Projected Test Year - Monthly Plant Additions	B. Gilliam
G1-28	Projected Test Year - Monthly Plant Retirements	B. Gilliam
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
G6	Projected Test Year - Attrition Calculation of Major Assumptions	B. Gilliam, J. Baugh, G. Navo

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing Testimony and Exhibit of Brian Gilliam have been furnished by Electronic Mail to the following parties of record this 20<sup>th</sup> day of April, 2026:

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