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August 13, 2026

VIA E-PORTAL

Mr. Adam Teitzman
Commission 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 filing, please find the Rebuttal Testimony of Jessica Husted for Florida City Gas.

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

Sincerely,

Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Prepared Rebuttal Testimony of Jessica Husted

Date of Filing: August 13, 2026

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I. Introduction

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

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

Q. Have you previously filed direct testimony in this docket?

A. Yes, I filed direct testimony on behalf of Florida City Gas which I refer to herein as either "the Company" or "FCG."

Q. Has your employment status and job responsibilities remained the same since discussed in your previous testimony?

A. Yes.

Q. Are you providing any exhibits with your rebuttal testimony?

A. No.

II. Purpose and Summary of Testimony

Q. What is the purpose of your rebuttal testimony?

A. The purpose of my rebuttal testimony is to respond to certain recommendations and adjustments proposed by the Office of Public Counsel ("OPC") witness Helmuth W. Schultz, III in his direct testimony filed July 20, 2026. Specifically, my rebuttal testimony addresses the following issues:

1. Mr. Schultz's rate case expense adjustment (Schultz Direct, Section VII.H); and

2. Mr. Schultz's Other Revenue adjustment, including the Account 495 and Account 488 components (Schultz Direct, Section VII.A).

III. Summary of Rebuttal Position

Q. Please summarize your rebuttal position.

A. Mr. Schultz's rate case expense adjustment should be rejected. The Company's $4,215,262 projected rate case expense amortized over five years at $843,052 per year is prudent and reasonable. The Company's miscellaneous service charges are supported by an operational cost analysis, and projected miscellaneous charge revenues were calculated by applying the proposed service charge amounts to a projected level of occurrences.

IV. Rate Case Expense

Q. Please describe the Company's projected rate case expense.

A. As I explained in my direct testimony at Section IV, the Company's projected rate case expense of $4,215,262 is proposed to be amortized over five years at $843,052 per year, as shown on MFR Schedule C-13 and Schedule G2-19h. The projected expense reflects actual and estimated labor costs, consulting costs, and attorney costs directly related to preparing and supporting the rate case filings, discovery, and the hearing process. The projection assumes this case will proceed to a fully litigated hearing.

Q. Please describe Mr. Schultz's rate case expense adjustment.

A. In Section VII.H of his direct testimony, Mr. Schultz proposes to remove approximately $1,467,663 from the projected rate case expense as he believes the rate case cost is excessive when compared to the escalated benchmark cost of the 2022 rate case, which corresponds to an annual amortization impact of approximately $293,533.

Q. Do you agree with that adjustment?

A. No I do not. The following explains my reasons in more detail.

Temporary Staffing

As I explained in my direct testimony, the Company maintains a staffing level that allows for efficient and safe delivery of service to customers. For a rate proceeding, the extraordinary time and labor required exceeds the scope of normal operations. Because a rate case filing is outside the norm and does not occur at regular intervals, the estimated rate case expense is outside the scope of normal O&M and is unique to this filing. If the Company were, instead, regularly staffed at the level necessary to handle rate cases entirely in-house, staffing costs would be significantly higher on an annual basis and would have a more significant impact on rates than the amortization of rate case expense proposed in this proceeding.

Depreciation Study Costs

As discussed in Witness Everngam's testimony, the depreciation study was filed in February of 2025 with the expectation that approval of the proposed study would enable FCG to delay the rate case longer, but ultimately, the depreciation study outcome was not sufficient to enable further delay. The results of the depreciation study have since been utilized in this rate case proceeding, as if it were filed with the rate case, including a reduction in revenue requirement of approximately $504K.

Therefore, the Company believes including depreciation study consultant costs are prudent and reasonable to be included in rate case expense. As an alternative, if these costs are not included in rate case expense, these expenses should be amortized over five years in O&M expenses mirroring the period that the depreciation rates will be effective, and for purposes of recovery in base rates.

Outside Consulting Costs

The projected rate case expense reflects actual and estimated labor, consulting, and attorney costs for the engagements necessary to litigate this proceeding. As I described in my direct testimony, FCG utilizes various external consultants to assist in the areas of cost of capital, acquisition adjustment, cost of service study, weather-normalizing billing determinants, rate design, and tariff modifications. The Company has determined over time that it is more prudent to hire outside expertise and extra assistance as needed than to maintain that expertise in-house on an ongoing basis. In addition, internal staff could not interrupt their duties as frequently as would be necessary to provide answers to the numerous discovery requests in this proceeding. We hire additional assistance during a rate case to ensure that we are appropriately responsive during the proceeding, and that we are also able to continue providing safe and reliable service to our customers.

Amortization of Prior Rate Case Costs

The remaining balance represents prudently incurred costs that were previously determined to be appropriate and authorized for recovery over a Commission-approved amortization period but have not yet been fully recovered from customers. The filing of a subsequent rate case does not change the nature of those costs or eliminate the remaining unrecovered balance. Absent continued recovery, the Company would be denied the opportunity to recover these costs that were previously authorized for amortization. An unamortized prior rate case expense was also allowed to be carried over by the Commission in People's Gas last rate case in Order No. PSC-2025-0413-S-GU, Docket No. 20250029-GU.

Notices, Tariff, Travel, and Prior Owner Assistance Costs

The Company believes these costs are properly classified as incremental rate case expenses directly attributable to the preparation, support, and litigation of this case. The projected costs reflect management's best estimate of the incremental expenses necessary to support these activities and are reasonable given the scope and complexity of the filing. These costs are directly caused by the rate case and would not otherwise be incurred in the ordinary course of business.

V. Miscellaneous Service and Other Revenue Adjustments (Accounts 488 and 495)

Q. Please describe Mr. Schultz's Miscellaneous Service and Other Revenue adjustment.

A. In Section VII.A of his direct testimony and Exhibit HWS-2, Schedule C-1, Mr. Schultz recommends increasing Other Revenue by approximately $1.8 million made up of miscellaneous service revenues of $820,022 and other revenues of $1,004,899.

Q. Do you agree with Mr. Schultz's adjustments?

A. No, I do not.

Mr. Schultz's observations regarding the revenue items included in Accounts 488 and 495 of the 2025 annual report are incorrect.

Account 488 – Miscellaneous Service Revenues

Mr. Schultz assumes the Company failed to reflect revenues related to Initial Connections, Reconnects for Cause, Collection in Lieu and Returned Check in the forecast, stating that these revenues disappeared from the Company's annual report in 2024 and 2025. This is not accurate, the revenues were included in the annual reports for both of these years. In the 2025 annual report, these revenue items are included in the $2,964,749 in Account 488. The Company also included connections, reconnections and returned check fees among the $2,287,122 of 2027 projected Other Miscellaneous Revenues in MFR Schedule G-2 page 11c of 31. Specifically, connections and reconnections are included in Miscellaneous Service Revenues (Line 241) and NSF Charges (Line 246). As I noted in my direct testimony, the Company no longer performs collection activities in the field due to safety concerns for FCG's employees. Therefore, FCG proposed removing the service charge and did not include revenues related to field collection activities in the 2027 projection. Also, as noted in my direct testimony, the Company's proposed miscellaneous service charges were independently evaluated based on operational cost, and projected miscellaneous charge revenues were calculated by applying the proposed service charge amounts to a projected level of occurrences. In addition, these proposed types of service charges align with FPUC's service charges in preparation for any future consolidation of the entities.

Account 495 – Other Revenues

For Account 495, Mr. Schultz assumed that Conservation Revenues are included in the $6,473,837 reported in 2025. This is not accurate. Conservation Revenues are included amongst the 480, 481 and 489 accounts on the referenced annual report schedule. Below is a table breaking out the revenue items included in Account 495 of the 2025 annual report.

Account 495 Revenue Items	**2025 Annual Report**
SAFE Revenues	8,449,987
PGA Over/Under Recoveries	(4,381,853)
Off System Sales	2,047,508
AEP Revenues	356,284
Other Misc Revenues	1,911
Total	**6,473,837**

All SAFE and PGA related revenues were forecasted per rate class in MFR Schedule G-2 (1-5 of 6) for 2027 and were subsequently removed in MFR Schedule G-2 page 2 of 31 as these are recovered through separate clauses and not base rates. The Off System Sales revenue projections are further discussed in the rebuttal testimonies of Witnesses Dan Noia and Matthew Everngam.

As I noted in my direct testimony, the Company is proposing to discontinue the current AEP surcharges when new rates go into effect for existing projects and to transfer all un-recovered excess construction costs from the current AEP program as of December 31, 2026, to the applicable capital plant construction account. If approved, any customers currently being billed AEP surcharges would no longer be billed an AEP surcharge in 2027 and the requested program changes would be applicable to future AEP projects. Therefore, the Company projected AEP revenue of $0 for 2027.

Q. Does this conclude your rebuttal testimony?

A. Yes.

Docket No. 20260026-GU

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Rebuttal Testimony of Jessica Husted has been furnished by Electronic Mail and/or Electronic Data Room access to the following parties of record this 13th day of August, 2026:

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