

Florida's gas system is growing with the state — and every mile of it competes for capital.

Florida's natural gas utilities are expanding into one of the fastest-growing states in the country while replacing legacy cast-iron and bare-steel pipe, absorbing a \$1.2 billion pipeline build to relieve south-Florida supply constraints, and defending rate cases before the PSC. Each of those forces reshuffles the projects on your list. Invizion helps gas utilities re-sequence a capital portfolio in a click — and defend every decision.

~1.02M¹	500,000+²	\$1.2B⁷	\$118M³
Natural gas customers in Florida, about 946,000 of them residential (2024).	Customers served by Peoples Gas System, the state's largest natural gas distributor.	Florida Energy Pathway pipeline to relieve south-Florida supply constraints, in service by 2030.	Peoples Gas base-rate increase the PSC approved in 2023, effective January 2024.

THE FLORIDA LANDSCAPE

Four forces are moving your project list at once

Florida's gas story is different from the Northeast or California: the pressure here is growth and supply, not a looming ban. But the capital math is just as unforgiving — the plan you approved last year may already be the wrong plan.

SYSTEM INTEGRITY — AGING PIPE

Legacy cast iron and bare steel, on a replacement clock

Florida's newer systems sit alongside decades-old mains in its urban cores. Peoples Gas recovers the cost of retiring cast-iron and bare-steel pipe through a dedicated replacement rider — the 2023 rate order moved \$11 million of that investment into base rates.³

Florida City Gas runs a parallel SAFE (Safety, Access and Facility Enhancement) program for accelerated recovery of replacing older portions of its roughly 3,800 miles of distribution main.⁶⁴ Every mile retired is a mile that has to be scheduled, funded, and defended.

DECARBONIZATION — PREEMPTION

The gas ban Florida law won't allow

Unlike states running "future of gas" dockets, Florida has moved the other way. HB 919 (2021) prohibits any municipality, county, or special district from restricting the fuel sources of energy delivered to customers, and voided local policies that did.⁸

That protects gas-line extensions and new hookups — but it does not remove the long-horizon question. Throughput is dominated by power generation, not homes; residential and commercial burn is only about 5% of the state's gas use,⁹ so the LDC's growth case rests on winning connections in a competitive fuel market.

SUPPLY — PIPELINE DEPENDENCE

A state that consumes gas but barely produces it

Florida burned about 1.69 trillion cubic feet of natural gas in 2024 but produced only 356 million — a fraction of one percent of what it uses.¹⁰⁹ Nearly every molecule arrives on long interstate pipelines, leaving the peninsula exposed to capacity constraints and storm risk.

South Florida is already supply-constrained: Chesapeake Utilities' \$1.2 billion, 24-inch Florida Energy Pathway from Palm Beach to Miami-Dade — anchored by roughly 250,000 dekatherms/day of firm commitments — is being built to relieve it by 2030.⁷

CAPITAL — RECOVERY & RATES

Rising bills meet a full capital docket

The capital is being spent and recovered through the PSC.

Peoples Gas won a \$118 million base-rate increase in 2023 at a 10.15% ROE midpoint;³ Florida City Gas landed a \$23.3 million increase at a 9.50% ROE the same year.⁶

Florida residential gas already runs about \$25.37 per thousand cubic feet — well above the national norm.¹¹ Every new project has to earn its place against that affordability pressure.

WHO DELIVERS FLORIDA'S GAS

Four investor-owned LDCs and a set of municipal districts

Florida's gas distribution is led by four PSC-regulated investor-owned utilities — two of them now under Chesapeake Utilities — alongside city- and district-owned systems that set their own rates. The pressures are shared; the accountability path differs.

Investor-owned gas LDCs

Rates & capital recovery regulated by the Florida PSC

Peoples Gas System (TECO / Emera) 500,000+ customers · statewide · largest LDC²

Florida City Gas (Chesapeake Utilities) ~125,000 customers · 8 counties · ~3,800 mi mains⁵

Florida Public Utilities (Chesapeake Utilities) ~229,000 gas customers (2025)⁶

St. Joe Natural Gas Company Small IOU · Port St. Joe / Gulf County · PSC-regulated¹⁴

Chesapeake Utilities now owns two of the four IOUs — it bought Florida City Gas from NextEra Energy for \$923.4 million, closing December 1, 2023.⁴

Municipal & special-district systems

Rates set by local boards, not the PSC

Lake Apopka Natural Gas District 30,000+ customers · West Orange & South Lake¹²

Okaloosa Gas District Public gas district · NW Florida panhandle¹⁵

Clearwater Gas System Municipal system · City of Clearwater / Pinellas¹⁶

Municipal and special-district systems set their own rates through local boards and are exempt from PSC rate regulation — but they carry the same aging-pipe and growth pressures as the investor-owned LDCs.¹²

Every capital dollar has to be defensible

Whether you answer to the Public Service Commission or a municipal board, the question is the same: why this project, why now, why at this cost?

Florida Public Service Commission (PSC) regulates the rates, capital recovery, and safety programs of the investor-owned gas LDCs — Peoples Gas, Florida City Gas, Florida Public Utilities, and St. Joe Natural Gas.³

Peoples Gas 2023 rate order: the PSC approved a \$118 million base-revenue increase (about \$107 million net after transferring cast-iron/bare-steel investment into base rates), effective January 2024, at a 10.15% ROE midpoint and 54.7% equity³

Florida City Gas 2023 rate case: a \$23.3 million increase (including \$14.1 million incremental) at a 9.50% ROE, which also folded the SAFE replacement rider into base rates⁶

Infrastructure-replacement riders: Peoples Gas' cast-iron/bare-steel replacement rider and Florida City Gas' SAFE program provide accelerated cost recovery for retiring aging pipe — the primary capital-recovery mechanism for system-integrity work^{3,6}

State preemption (HB 919, 2021): Florida law bars local governments from restricting the fuel sources delivered to customers, protecting gas-line extensions from local bans⁸

In Florida, capital recovery is mostly rider-based

Federal gas-modernization dollars are aimed at municipal systems, so Florida's investor-owned LDCs fund most of their build through PSC-approved riders and rate cases — and through private pipeline capital.

The constraint is sequencing, not just access to money.

Cast-iron / bare-steel replacement rider (Peoples Gas):

accelerated recovery for retiring legacy pipe; the 2023 order transferred \$11 million of that investment into base rates and the rider continues for ongoing work³

SAFE program (Florida City Gas): accelerated recovery of the cost of replacing older portions of the distribution system; \$5.3 million of SAFE investment was moved into base rates in the June 2023 rate order.⁶

Florida Energy Pathway (\$1.2B): a 24-inch intrastate pipeline from Palm Beach to Miami-Dade, in service by 2030, financed with private capital — Chesapeake Utilities is selling up to a 49% ownership interest to partners.⁷

PHMSA NGDISM grants (\$200M/yr, \$1B over five years): federal pipe-modernization money — but limited to municipal and community-owned utilities, so Florida's large investor-owned LDCs recover replacement costs through riders instead¹³

FLORIDA'S GAS SECTOR, IN BRIEF

Questions Florida gas utility leaders are asking

Short, sourced answers — the same facts we dig into with utilities looking at their capital programs.

How many natural gas customers does Florida have?

About 1.02 million natural gas customers in 2024, roughly 946,000 of them residential. Peoples Gas System is the largest distributor, with more than 500,000 customers statewide.¹²

Who are Florida's largest natural gas utilities?

Peoples Gas System (a TECO / Emera company), Florida City Gas and Florida Public Utilities (both now owned by Chesapeake Utilities), and the small investor-owned St. Joe Natural Gas — plus municipal systems such as Lake Apopka Natural Gas District, Okaloosa Gas District, and Clearwater Gas System.²⁵

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Can Florida cities ban natural gas in new buildings?

No. Florida's HB 919 (2021) preempts municipalities, counties, and special districts from restricting the fuel sources of energy delivered to customers and voided local policies that did.⁸

How do Florida utilities pay to replace old gas pipe?

Mainly through PSC-approved riders: Peoples Gas uses a cast-iron/bare-steel replacement rider and Florida City Gas runs its SAFE program, both giving accelerated recovery for retiring aging mains.³⁶

Why is Florida building the \$1.2 billion Florida Energy Pathway?

Florida produces almost no natural gas of its own and about 86% of what it uses goes to power generation, so the peninsula depends on interstate pipelines. The 24-inch Florida Energy Pathway is being built to relieve south-Florida supply constraints and serve continued growth by 2030.¹⁰⁹

How does Invizion help Florida gas utilities plan capital?

Invizion is scenario-based capital portfolio optimization for utilities. It lets you model how a growth surge, a pipeline commitment, or an accelerated pipe-replacement schedule reshuffles your whole project list, re-sequence the portfolio automatically, and keep a defensible record of every decision for the PSC or your board.

REFERENCES

Sources

Every figure in this briefing is tied to a primary or authoritative source.

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ABOUT INVIZION

Capital program optimization for utilities

Invizion is a purpose-built capital lifecycle management platform for utilities. It integrates budgeting, CIP, scenario analysis, and funding-source tracking in one system — so utilities can re-sequence a capital portfolio in a click and demonstrate audit-ready, defensible decisions to regulators, boards, and rating agencies.

See how utilities keep capital plans current and defensible with Invizion.

Explore Invizion →