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February 13, 2023

BY E-PORTAL

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

**Re: Docket No. 20230001-EI: Fuel and Purchased Power Cost Recovery Clause with
Generating Performance Incentive Factor**

Dear Mr. Teitzman:

Attached for filing, please find Florida Public Utilities Company's Petition for a Mid-Course Correction, along with the Testimony and Exhibits of Michelle Napier, Noah Russell, and Mark Cutshaw.

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
(850) 521-1706

MEK
cc://(Certificate of Service)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost recovery clause)	Docket No.: 20230001-EI
with generating performance incentive factor.)	
<hr style="width: 50%; margin-left: 0;"/>)	Filed: February 13, 2023

**FLORIDA PUBLIC UTILITIES COMPANY'S PETITION FOR APPROVAL
OF MID-COURSE CORRECTION**

Florida Public Utilities Company (FPUC or Company), by and through its undersigned counsel and pursuant to Rule 25-6.0424, Florida Administrative Code, hereby files this Petition asking the Florida Public Service Commission (FPSC or Commission) for approval of a mid-course correction and adjustment of its fuel cost recovery factors to recover the difference in the Company's actual under-recovery for 2022, which exceeded the Company's projected under-recovery by 45%, over the remainder of 2023, as well as the projected under-recovery for January – March, 2023.

The Company is proposing no change to the deferral of 2/3 of its projected 2022 under-recovery, as approved in Order No. PSC-2023-0026-FOF-EI, and reflected in the Exhibits of Witness Napier, which are being filed contemporaneously with this Petition.¹ As acknowledged at hearing on December 6, 2022, the Company's actual cost of acquiring debt to fund the deferral is, however, higher than the commercial paper rate.² As such, and in lieu of requesting that the Commission revisit the applicable interest rate, FPUC is asking that the Commission allow it to include the actual, additional costs to finance the deferred amounts beyond 2023, which is reflected in Exhibit MDN-1 as the "Additional Special Cost for Debt" and is further supported by the testimony of Witness Russell.

¹ In Ms. Napier's Exhibit MDN-2, the deferred balance of \$14,127,487 is reflected with interest applied at the commercial paper rate in the amount of \$600,418.

² Transcript Vol. 5, pg 747 (Docket No. 20220001-EI).

In support of this request, the Company hereby states:

BACKGROUND

1. Notices and communications with respect to this petition and docket should be addressed to

The name and mailing address of the persons authorized to receive notices are:

Beth Keating, Esq. Gunster, Yoakley & Stewart, P.A. 215 South Monroe St., Suite 601 Tallahassee, FL 32301 (850) 521-1706	Michelle Napier Director/Regulatory Affairs 1635 Meathe Drive West Palm Beach, FL 33411 Michelle_Napier@chpk.com
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2. FPUC is an electric utility subject to the Commission's jurisdiction under Chapter 366, Florida Statutes, and a wholly-owned subsidiary of Chesapeake Utilities Corporation. Its principal business address is:

Florida Public Utilities Company
208 Wildlight Avenue
Yulee, FL 3209

FPUC serves customers in two areas of the state: 1. Amelia Island/Fernandina Beach ("NE Division") and 2. Jackson, Calhoun, and Liberty Counties ("NW Division"). The Company serves 32,000 customers across these two divisions.

3. The agency affected by this request is the Florida Public Service Commission, which is located at 2540 Shumard Oak Boulevard, Tallahassee, FL 32399. This Petition does not involve reversal or modification of any prior Commission decision or proposed agency action.

4. The Company is unaware of any facts that are in dispute at this time, although it is possible that such disputes may arise over the course of the proceeding. As further discussed herein, FPUC's substantial interests will be affected by the Commission's decision on this request to revise the

Company's recovery of its fuel/purchased power costs to address changes in the market and related changes to projected usage on the Company's system that have impacted the Company's under-recovery for 2022 and projections for 2023. Addressing this under-recovery will put the Company in a better position for possible future changes in the market.

5. With this Petition, the Company is submitting, as the appropriate E1 through E10 schedules, as well as Schedules C-1 and F-1 in support of this request and in accordance with Rule 25-6.0424(1)(b), F.A.C., as well as the supporting testimonies and exhibits of Company witnesses Michelle Napier, Noah Russell, and Mark Cutshaw.

6. The Company's current fuel and purchased power cost recovery factors were approved as set forth in Order No. PSC-2023-0026-FOF-EI, issued January 6, 2023. The new factors became effective with the first billing cycle of January 2022. The Company asks that revised factors become effective April 1, 2023.

REQUEST FOR MID-COURSE RELIEF

7. As recognized in Order No. PSC-2023-0026-FOF- EI, FPUC had projected that its fuel and purchased power costs for 2023 would be \$68,427,727 based upon a projected usage level of 636,007,600 in kwh sales. FPUC had also projected that it would under-recover for the projected period through the end of 2022 in the amount of \$21,191,231. Given the size of the amount and FPUC's smaller customer base, the Commission approved the Company's request to defer 2/3 of that amount for recovery in 2024 and 2025. Thus, \$14,127,487 was deferred, and only \$7,063,744 was applied in the calculation of the cost recovery factors for 2023. The Company's final, year-end 2022 under-recovery was, however, \$30,840,176, for an additional under-recovery of \$9,648,945 in excess of the originally projected under-recovery. Thus, the revised under-recovery associated with 2022 for which the Company is requesting a revision

to its cost recovery factors is the \$9,648,945. When the previously approved amount of \$7,063,744 is added, as well as interest at the commercial paper rate, consistent with the Commission's order, the revised under-recovery for 2022 for which the Company seeks adjusted cost recovery factors is \$17,313,107. In addition, the Company is already projecting an under-recovery by the end of March 2023 in the amount of \$1,688,896, which the Company asks also be included in the calculation of revised factors to become effective April 1. Under the currently established factors, FPUC will, at a minimum, be under-recovered by \$19,002,003 as of April 1, 2023.

8. In addition, the Company is asking that it be allowed to collect the incremental borrowing costs incurred above and beyond the published one-month term SOFR rates and the 30-day average A2/P2 commercial paper rates associated with financing the deferral of \$14,127,487 in 2023 and \$7,063,744 in 2024. The amount is proposed for inclusion in 2023 and incorporated in the Company's mid-course calculation is \$137,037, which is specifically addressed in the testimony of Witness Russell. The Company notes that its request on this point differs from its request in the prior proceeding to apply its parent company's short term debt rate to the deferred amounts. The current request, if approved, would nonetheless make the Company whole in a similar manner and is made, with substantial supporting testimony, consistent with the comments of Commissioner LaRosa at the December 6, 2022 hearing.³

9. Allowing the Company to adjust its factors to correct only for the significant, actual under-recovery in 2022, as well as the projected under-recovery for the first quarter of 2023, will reduce the potential risk of an even more significant under-recovery at year's end 2023.

³ Transcript Vol. 5, pg 748 (Docket No. 20220001-EI).

10. FPUC therefore proposes to modify its fuel and purchased power cost recovery factors, effective April 1, 2023. The impact of the proposed change on a typical 1000 kWh customer's bill will be an increase of \$25.34 for the remaining nine months of 2023.

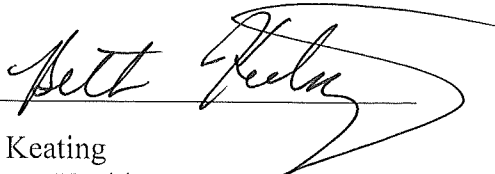
11. Attached to the testimony of Witness Napier are the appropriate E schedules reflecting the actual under-recovery for 2022, as well as the Company's projections for the first quarter of 2023 through March. In particular, Schedule E1, p. 3 reflects the recalculated factors designed to recover the \$19,002,003 under-recovery, while Schedule E10 reflects the impact on customers' bills.

12. Attached hereto as Exhibit A are revised tariff sheets, in clean and legislative format, reflecting the proposed revised factors.

13. Because the Company's calculations are based upon an April 1, 2023, effective date, the Company respectfully asks that its request be scheduled for consideration at the Commission's March 7 Agenda Conference, as well as a limited waiver of the 30-day notice requirement to allow implementation for the April billing cycle. Delaying implementation beyond the April billing cycle would otherwise necessitate recalculation of the factors based on sales for only four months, which will result in an increase in the amount applied to customers' bills.

WHEREFORE, Florida Public Utilities Company respectfully requests that the Commission approve the Company's proposed, recalculated fuel and purchased power cost recovery factors for application beginning with the April 2023 billing cycle through December 31, 2023, or until otherwise revised by the Commission.

RESPECTFULLY SUBMITTED this 13th day of February, 2023.

By: 

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

Attorneys for Florida Public Utilities Company

CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that a true and correct copy of the foregoing Petition for Approval of Mid-Course Correction, has been furnished by Electronic Mail to the following parties of record this 13th day of February, 2023:

<p>Suzanne Brownless Ryan Sandy Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850 sbrownle@psc.state.fl.us rsandy@psc.state.fl.us</p>	<p>J. Jeffry Wahlen/Malcolm Means/Virginia Ponder Ausley Law Firm Post Office Box 391 Tallahassee, FL 32302 jwahlen@ausley.com mmeans@ausley.com vponder@ausley.com</p>
<p>P. Christensen / Charles Rehwinkel/Mary Wessling Office of Public Counsel c/o The Florida Legislature 111 W. Madison Street, Room 812 Tallahassee, FL 32399-1400 Wessling.Mary@leg.state.fl.us Rehwinkel.Charles@leg.state.fl.us Christensen.patty@leg.state.fl.us</p>	<p>James W. Brew/Laura Baker Stone Matheis Xenopoulos & Brew, PC Eighth Floor, West Tower 1025 Thomas Jefferson Street, NW Washington, DC 20007 jbrew@smxblaw.com lwb@smxblaw.com</p>
<p>Maria Moncada David Lee Florida Power & Light Company 700 Universe Boulevard Juno Beach, FL 33408-0420 Maria.Moncada@fpl.com David.Lee@fpl.com</p>	<p>Kenneth Hoffman Florida Power & Light Company 215 South Monroe Street, Suite 810 Tallahassee, FL 32301 Ken.Hoffman@fpl.com</p>
<p>Ms. Paula K. Brown Tampa Electric Company Regulatory Affairs P.O. Box 111 Tampa, FL 33601-0111 Regdept@tecoenergy.com</p>	<p>Florida Industrial Users Power Group Jon C. Moyle, Jr. Moyle Law Firm 118 North Gadsden Street Tallahassee, FL 32301 jmoyle@moylelaw.com</p>

<p>Mike Cassel Florida Public Utilities Company 208 Wildlight Ave. Yulee, FL 32097 mcassel@fpuc.com</p>	<p>Matthew Bernier Robert Pickels Stephanie Cuello Duke Energy 106 East College Avenue, Suite 800 Tallahassee, FL 32301 Matthew.Bernier@duke-energy.com Robert.Pickels@duke-energy.com Stephanie.Cuello@duke-energy.com</p>
	<p>Dianne M. Triplett Duke Energy 299 First Avenue North St. Petersburg, FL 33701 Dianne.Triplett@duke-energy.com</p>

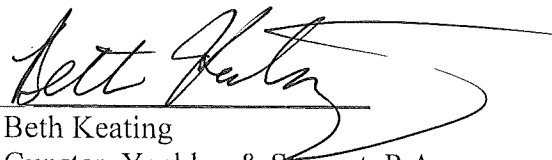
By: 
Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

Exhibit A

Eleventh Revised Tariff Sheet Nos. 65 and 66
(clean/legislative)

RATE ADJUSTMENT RIDER – NORTHWEST FLORIDA DIVISION

Applicability

Electric service under all rate schedules for the Northwest Florida Division, which specify that rates are subject to adjustment in accordance with the provisions of the Company's Rate Adjustment Rider.

Total Purchased Power Cost Recovery Clause

The total purchased power cost adjustment shall be applied to each kilowatt hour delivered and shall be computed in accordance with the formula prescribed by the Florida Public Service commission. The total purchased power cost adjustment for the period April 1, 2023 through December 31, 2023 is as follows:

<u>Rate Class</u>	<u>Rate Schedule</u>	<u>Levelized Adjustment</u>
Residential (1st 1000 KWH's)	RS	13.867¢ / KWH
Residential (above 1000 KWH's)	RS	15.117¢ / KWH
General Service	GS	14.318¢ / KWH
General Service-Demand	GSD	13.925¢ / KWH
Lighting Service	LS	11.773¢ / KWH
General Service-Large Demand	GSLD	13.947¢ / KWH
General Service-Large Demand 1	GSLD 1	Not Applicable At This Time

<u>Time of Use Rate Class</u>	<u>Rate Schedule</u>	<u>Levelized Adjustment</u>	
		<u>On-Peak</u>	<u>Off Peak</u>
Residential TOU	RST - EXP	22.267¢ / KWH	9.967¢ / KWH
General Service TOU	GST - EXP	18.318¢ / KWH	9.318¢ / KWH
General Service-Demand TOU	GSDT – EXP	17.925¢ / KWH	10.675¢ / KWH
General Service-Large Demand TOU	GSLDT – EXP	19.947¢ / KWH	10.947¢ / KWH
Interruptible – TOU	IS – EXP	12.447¢ / KWH	13.947¢ / KWH

Energy Conservation Cost Recovery Clause

Each base energy rate per KWH of the above rate schedules for the period January 1, 2023 through December 31, 2023 shall be increased by 0.113 ¢/KWH of sales to recover conservation related expenditures by the Company. This adjustment is determined in accordance with the formula and procedures specified by the Florida Public Service Commission.

Tax Cost Recovery

There will be added to all bills rendered for electric service a proportionate share of all license fees and taxes imposed by any governmental authorities after November 1, 1946, to an extent sufficient to cover excess increased taxes or license fees.

RATE ADJUSTMENT RIDER – NORTHEAST FLORIDA DIVISION

Applicability

Electric service under all rate schedules for the Northeast Florida Division which specify that rates are subject to adjustment in accordance with the provisions of the Company’s Rate Adjustment Rider.

Total Purchased Power Cost Recovery Clause

The total purchased power cost adjustment shall be applied to each kilowatt hour delivered and shall be computed in accordance with the formula prescribed by the Florida Public Service Commission. The total purchased power cost adjustment for the period April 1, 2023 through December 31, 2023 is as follows:

<u>Rate Class</u>	<u>Rate Schedule</u>	<u>Levelized Adjustment</u>
Residential (1 st 1000 KWH’s)	RS	13.867¢ / KWH
Residential (above 1000 KWH’s)	RS	15.117¢ / KWH
General Service	GS	14.318¢ / KWH
General Service –Demand	GSD	13.925¢ / KWH
General Service –Large Demand	GSLD	13.947¢ / KWH
Lighting Service	LS	11.773¢ / KWH
General Service Large Demand 1	GSLD 1	Generation Demand \$ 6.15/ KW* Transmission Demand \$ 2.70/ KW* Energy 9.322 ¢ / KWH*

*Estimated for informational purposes only,
 Monthly rate will be billed at actual cost.

Energy Conservation Cost Recovery Clause

Each base energy rate per KWH of the above rate schedules for the period January 1, 2023 through December 31, 2023 shall be increased by 0.113 ¢ / KWH of sales to recover conservation related expenditures by the Company. This adjustment is determined in accordance with the formula and procedures specified by the Florida Public Service Commission.

Tax Recovery

There will be added to all bills rendered for electric service a proportionate share of all license fees and taxes imposed by any governmental authorities after January 1, 1945, to an extent sufficient to cover excess increased taxes or license fee.

RATE ADJUSTMENT RIDER – NORTHWEST FLORIDA DIVISION

Applicability

Electric service under all rate schedules for the Northwest Florida Division, which specify that rates are subject to adjustment in accordance with the provisions of the Company's Rate Adjustment Rider.

Total Purchased Power Cost Recovery Clause

The total purchased power cost adjustment shall be applied to each kilowatt hour delivered and shall be computed in accordance with the formula prescribed by the Florida Public Service Commission. The total purchased power cost adjustment for the period ~~January~~ April 1, 2023 through December 31, 2023 is as follows:

<u>Rate Class</u>	<u>Rate Schedule</u>	<u>Levelized Adjustment</u>
Residential (1st 1000 KWH's)	RS	11.396 <u>13.867</u> ¢ / KWH
Residential (above 1000 KWH's)	RS	12.646 <u>15.117</u> ¢ / KWH
General Service	GS	14.797 <u>17.318</u> ¢ / KWH
General Service-Demand	GSD	13.925 <u>17.201</u> ¢ / KWH
Lighting Service	LS	-9.355 <u>11.773</u> ¢ / KWH
General Service-Large Demand	GSLD	10.937 <u>13.947</u> ¢ / KWH
General Service-Large Demand 1	GSLD 1	Not Applicable At This Time

<u>Time of Use Rate Class</u>	<u>Rate Schedule</u>	<u>Levelized Adjustment</u>
Residential TOU	RST - EXP	On-Peak
		Off Peak
General Service TOU	GST - EXP	On-Peak
		Off Peak
General Service-Demand TOU	GSDT – EXP	On-Peak
		Off Peak
General Service-Large Demand TOU	GSLDT – EXP	On-Peak
		Off Peak
Interruptible – TOU	IS – EXP	On-Peak
		Off Peak

Energy Conservation Cost Recovery Clause

Each base energy rate per KWH of the above rate schedules for the period January 1, 2023 through December 31, 2023 shall be increased by 0.113 ¢/KWH of sales to recover conservation related expenditures by the Company. This adjustment is determined in accordance with the formula and procedures specified by the Florida Public Service Commission.

Tax Cost Recovery

There will be added to all bills rendered for electric service a proportionate share of all license fees and taxes imposed by any governmental authorities after November 1, 1946, to an extent sufficient to cover excess increased taxes or license fees.

RATE ADJUSTMENT RIDER – NORTHEAST FLORIDA DIVISION

Applicability

Electric service under all rate schedules for the Northeast Florida Division which specify that rates are subject to adjustment in accordance with the provisions of the Company's Rate Adjustment Rider.

Total Purchased Power Cost Recovery Clause

The total purchased power cost adjustment shall be applied to each kilowatt hour delivered and shall be computed in accordance with the formula prescribed by the Florida Public Service Commission. The total purchased power cost adjustment for the period ~~January~~ April 1, 2023 through December 31, 2023 is as follows:

<u>Rate Class</u>	<u>Rate Schedule</u>	<u>Levelized Adjustment</u>
Residential (1 st 1000 KWH's)	RS	11.3963 8.867¢ / KWH
Residential (above 1000 KWH's)	RS	12.6465 5.117¢ / KWH
General Service	GS	11.7974 4.318¢ / KWH
General Service –Demand	GSD	11.2013 3.925¢ / KWH
General Service –Large Demand	GSLD	10.9373 3.947¢ / KWH
Lighting Service	LS	9.3551 1.773¢ / KWH
General Service Large Demand 1	GSLD 1	Generation Demand \$ 6.15/ KW* Transmission Demand \$ 2.70/ KW* Energy 9.322 ¢ / KWH*

*Estimated for informational purposes only,
Monthly rate will be billed at actual cost.

Energy Conservation Cost Recovery Clause

Each base energy rate per KWH of the above rate schedules for the period January 1, 2023 through December 31, 2023 shall be increased by 0.113 ¢ / KWH of sales to recover conservation related expenditures by the Company. This adjustment is determined in accordance with the formula and procedures specified by the Florida Public Service Commission.

Tax Recovery

There will be added to all bills rendered for electric service a proportionate share of all license fees and taxes imposed by any governmental authorities after January 1, 1945, to an extent sufficient to cover excess increased taxes or license fee.

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 DOCKET NO. 20230001-EI: FUEL AND PURCHASED POWER COST RECOVERY

3 CLAUSE WITH GENERATING PERFORMANCE INCENTIVE FACTOR

4 2023 Midcourse Correction Testimony of Michelle Napier

5 On Behalf of

6 Florida Public Utilities Company

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

9 A. My name is Michelle D. Napier. My business address is 1635 Meathe Drive, West
10 Palm Beach, FL 33411.

11 **Q. By whom are you employed?**

12 A. I am employed by Florida Public Utilities Company (“FPUC” or “Company”) as the
13 Director of Regulatory Affairs/Distribution.

14 **Q. Could you give a brief description of your background and business experience?**

15 A. I received a Bachelor of Science degree in Finance from the University of South
16 Florida. I have been employed with FPUC since 1987. Over the course of my
17 employment at FPUC, I have performed various roles and functions in accounting,
18 including General Accounting Manager, before moving to the regulatory department
19 in 2011. As previously stated, I am currently the Director, Regulatory Affairs and in
20 this role, my responsibilities include directing the regulatory activities for all
21 regulated distribution companies of Chesapeake Utilities Corporation. This includes
22 regulatory analysis and filings before the Florida Public Service Commission
23 (“FPSC” or “Commission”) for FPUC, FPUC-Indiantown, FPUC-Fort Meade,
24 Florida Division of Chesapeake Utilities d/b/a (“CFG”), Peninsula Pipeline

1 Company, as well as Delaware and Maryland Public Service Commissions.

2 **Q. Have you previously testified before the PSC?**

3 A. Yes. I have previously provided written, pre-filed testimony in a variety of the
4 Company's annual proceedings, including this Docket, the Purchased Gas
5 Adjustment, Docket No. 20170003-GU; the Gas Reliability Infrastructure Program
6 (GRIP) Cost Recovery Factors for FPUC and our sister company, CFG, Docket No.
7 20120036-GU; and the Swing Service Cost Recovery for FPUC and CFG, Docket
8 No. 20170191-GU, Limited Proceeding for Hurricane Michael, Docket No.
9 20190156 as well as the Florida Natural Gas Rate Proceeding, Docket No.
10 20220067-GU.

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

12 A. My testimony supports the under-recovery amounts projected by the Company under
13 the deferral scenario approved in Order No. 2023-0026-FOF-EI, as well as under a
14 shortened recovery period being proposed by the Company in this filing. My
15 exhibits included with this testimony will establish the "true-up" collection amounts,
16 based on actual January 2022 through December 2022 data and projected January
17 2023 through December 2023 data, which is based on FPUC's original projection
18 filing in Docket No. 20220001-EI. FPUC requested and received approval to defer
19 two-thirds of its projected 2022 under-recovery of \$21,191,231 and the deferred
20 balance has been included in this filing. FPUC also received approval in that docket
21 to include interest on the deferred balance at the commercial paper rate. The
22 schedules I am sponsoring reflect the carrying charges on the deferred balance at the
23 commercial paper rate, consistent with the Commission's decision. My schedules
24 also reflect the additional borrowing costs that CUC has to pay to obtain the short-

1 term debt, which we are also asking to recover, as set forth in the testimony of
2 Witness Russell. This request differs slightly from than that made by the Company
3 in the prior proceeding, but the Company makes this request - and is providing more
4 detail - consistent with the exchange between Commissioner LaRosa and
5 Commission staff at the December 6, 2022 hearing.¹ These fees were included in
6 the true-up balance as the “special costs” to obtain debt to finance the deferral. The
7 Company is asking that these costs also be allowed for recovery through the revised
8 rates requested in this mid-course correction. My testimony will also summarize
9 these costs and computations and are contained in composite exhibit MDN-2,
10 supporting the April 2023 – December 2023 projected levelized fuel adjustment
11 factors for the consolidated electric divisions. The rates determined would be
12 collected or refunded during April 2023 – December 2023. Additionally, consistent
13 with the original projection filing, these factors include costs incurred as a result of
14 the COVID-19 pandemic and deemed recoverable in terms of the settlement
15 approved by Order No. PC-2021-0266-S-PU, as amended, issued in Docket No.
16 20200194-PU.

17 **Q. Were the schedules filed by the Company completed by you or under your**
18 **direct supervision?**

19 A. Yes, they were completed under my supervision.

20 **Q. Is FPUC providing the required schedules with this filing?**

21 A. Yes. The filing includes the Consolidated Electric Schedules E1, E1A, E2, E7, E8,
22 E10, and a projected 2023 true-up schedule titled F-1. These schedules are included
23 as Exhibit MDN-2. I am providing the 2022 actual true-up on exhibit MDN-4 as

¹ Transcript Vol. 5, pg 748 (Docket No. 20220001-E1).

1 support for the 2023 beginning true-up. Also included are exhibits MDN-1 and
2 MDN-3 for comparative purposes only.

3 **Q. Why has FPUC filed both Schedules MDN-2 and MDN-3?**

4 A. FPUC is requesting the midcourse true-up to be based on actual 2022 true-up,
5 previously approved two-thirds deferral of \$14,127,487 and inclusion of the interest
6 charges at the commercial paper rate and special costs which are computed and
7 shown in exhibit MDN-2. As previously mentioned, FPUC has included exhibit
8 MDN-3 for comparative purposes only to show the impact to customers with full
9 recovery in one year.

10 **Q. Is FPUC changing the 2023 projected fuel costs in this mid-course filing?**

11 A. No. The original estimates are still our best estimate at this time as explained in
12 Witness Mark Cutshaw's testimony. However, we have revised the estimated kWh
13 sales based on the most recent budget and the load factors to the most recent report.

14 **Q. Why did the filing in Exhibit MDN-2 add interest on the deferred under-recovery
15 on Schedule E-1A?**

16 A. On Schedule E-1A, FPUC has included interest of \$600,418 to the under-recovery for
17 carrying charges on the deferred balance of \$14,127,487, which reflects interest
18 calculated using the January 2023 beginning 30-day non-financial commercial paper
19 rate of 4.25% times the deferred amount of \$14,127,487, consistent with Order No.
20 PSC-2023-0026-FOF-EI. In addition, FPUC is requesting that the additional cost to
21 provide the financing of the \$14 million deferral, as discussed in Witness Russell's
22 testimony be added into special costs in 2023 and 2024. Therefore, in Schedule
23 MDN-2, \$137,036 has been added to the projection of special costs. The cost of the
24 debt is incremental to the interest cost already included using the prescribed

1 methodology specified above and is directly related to the deferred under-recovery.

2 **Q. What are the final remaining true-up amounts for the period January –**
3 **December 2022 and the estimated true-up for March 2023?**

4 A. The final remaining consolidated true-up amount for 2022 is an under-recovery of
5 \$30,840,176 as shown on exhibit MDN-4. The ending true-up for projected March
6 2023 using Schedule MDN-2 is \$32,529,072, Schedule F-1 of exhibit MDN-2.

7 **Q. How does this 2022 under-recovery differ from what was projected by FPUC in**
8 **its July 27, 2022 filing?**

9 A. FPUC's final 2022 fuel under-recovery exceeded the projected \$21,191,231 in its July
10 27, 2022 filing by \$9,648,945.

11 **Q. How does FPUC propose to recover its under-recovery of \$30,840,176?**

12 A. FPUC requested and received approval to defer two-thirds of its projected under-
13 recovery, \$21,191,231 over three years. In this filing, the Company is still requesting
14 deferral of the two-thirds under-recovery based on the original 2022 projection and
15 recover the remainder through revised rates in this filing.

16 **Q. What are the estimated true-up amounts for the period of January – December**
17 **2023?**

18 A. There is an estimated consolidated under-recovery of \$14,257,508 per Schedule MDN-
19 2.

20 **Q. What will the total consolidated fuel adjustment factor, excluding demand cost**
21 **recovery, be for the consolidated electric division for the period?**

22 A. The total fuel adjustment factor as shown on line 43, Schedule E-1 P2 of MDN-2 is
23 11.580¢ per KWH.

24 **Q. Please advise what a residential customer using 1,000 KWH will pay for the**

1 **period January - December 2023 including base rates, conservation cost**
2 **recovery factors, gross receipts tax and fuel adjustment factor and after**
3 **application of a line loss multiplier.**

4 A. As shown on consolidated Schedule E-10 of Exhibit MDN-2, a residential customer
5 using 1,000 KWH will pay \$200.80, which is \$25.34 higher than the January-March
6 2023 bills. If we asked for recovery over one year, a typical bill for a residential
7 customer using 1,0000 KWH is \$229.33 which is \$53.87 higher than the January-
8 March 2023 bills on Schedule E-10 of Exhibit MDN-3.

9 **Q. What should be the effective date of the fuel factors for billing purposes?**

10 A. The new fuel factors should be effective for all meter readings applying to the period
11 of April 2023 through December 2023.

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

13 A. Yes.

FLORIDA PUBLIC UTILITIES COMPANY
 FUEL AND PURCHASED POWER
 COMPARISON OF OPTIONS

	MIDCOURSE WITH DEFERRAL	MIDCOURSE WITHOUT DEFERRAL
Deferral	Deferral of \$14,127,487 to 2024 and 2025.	Recover entire 2022 under-recovery in 2023
Carrying Charges	Estimated at January 30-day non-financial commercial paper rate of 4.25%	Estimated at January 30-day non-financial commercial paper rate of 4.25%
Ending True-up at March 31, 2023	\$ 32,529,072	\$ 32,496,966
Interest Included with true-up for deferred under-recovery	\$ 600,418	\$ -
Additional Special Cost for Debt	\$ 137,037	
Total under-recovery included in midcourse rate calculation	\$ 19,002,003	\$ 32,496,966
Ending under-recovery estimated at 12/31/2023	\$ 14,257,508	\$ 514,624
E-1 p.2 line 43 Factor	\$ 11.580	\$ 14.363
Typical Residential Bill	\$ 200.80	\$ 229.33
Increase over Jan-March Typical Bill	\$ 25.34	\$ 53.87

EXHIBIT NO. _____
 DOCKET NO. 20230001-EI
 FLORIDA PUBLIC UTILITIES COMPANY
 (MDN-1)

FLORIDA PUBLIC UTILITIES COMPANY
FUEL AND PURCHASED POWER
COST RECOVERY CLAUSE CALCULATION

ESTIMATED FOR THE PERIOD: APRIL 2023 THROUGH DECEMBER 2023

<u>FLORIDA DIVISION-CONSOLIDATED</u>		(a)	(b)	(c)
		DOLLARS	MWH	CENTS/KWH
1	Fuel Cost of System Net Generation (E3)			
2	Nuclear Fuel Disposal Costs (E2)			
3	Coal Car Investment			
4	Adjustments to Fuel Cost			
5	TOTAL COST OF GENERATED POWER (LINE 1 THRU 4)	0	0	0.00000
6	Fuel Cost of Purchased Power (Exclusive of Economy) (E7)	20,079,133	405,585	4.95066
7	Energy Cost of Sched C & X Econ Purch (Broker) (E9)			
8	Energy Cost of Other Econ Purch (Non-Broker) (E9)			
9	Energy Cost of Sched E Economy Purch (E9)			
10	Demand & Non Fuel Cost of Purch Power (E2)	13,860,164	405,585	3.41733
10a	Demand Costs of Purchased Power	12,170,552 *		
10b	Non-fuel Energy & Customer Costs of Purchased Power	1,689,612 *		
11	Energy Payments to Qualifying Facilities (E8a)	16,294,528	133,409	12.21396
12	TOTAL COST OF PURCHASED POWER (LINE 6 THRU 11)	50,233,826	538,994	9.31992
13	TOTAL AVAILABLE KWH (LINE 5 + LINE 12)	50,233,826	538,994	9.31992
14	Fuel Cost of Economy Sales (E6)			
15	Gain on Economy Sales (E6)			
16	Fuel Cost of Unit Power Sales (SL2 Partpts) (E6)			
17	Fuel Cost of Other Power Sales			
18	TOTAL FUEL COST AND GAINS OF POWER SALES	0	0	0.00000
19	Net Inadvertent Interchange			
20	TOTAL FUEL & NET POWER TRANSACTIONS (LINE 5 + 12 + 18 + 19)	50,233,826	538,994	9.31992
21	Net Unbilled Sales	0 *	0	0.00000
22	Company Use	37,373 *	401	0.00752
23	T & D Losses	3,894,788 *	41,790	0.78397
24	SYSTEM MWH SALES	50,233,826	496,803	10.11142
25	Wholesale MWH Sales			
26	Jurisdictional MWH Sales	50,233,826	496,803	10.11142
26a	Jurisdictional Loss Multiplier	1.00000	1.00000	
27	Jurisdictional MWH Sales Adjusted for Line Losses	50,233,826	496,803	10.11142
27a	GSLD1 MWH Sales		15,062	
27b	Other Classes MWH Sales		481,741	
27c	GSLD1 CP KW		31,600 *	
28	Projected Unbilled Revenues	0	481,741	0.00000
29	GPIF **			
30	TRUE-UP (OVER) UNDER RECOVERY **	19,002,003	481,741	3.94445
31	TOTAL JURISDICTIONAL FUEL COST	69,235,829	481,741	14.37201
31a	Demand Purchased Power Costs (Line 10a)	12,170,552 *		
31b	Non-demand Purchased Power Costs (Lines 6 + 10b + 11)	38,063,273 *		
31c	True up Over/Under Recovery (Line 29)	19,002,003 *		
31d	Unbilled Revenues	0		

* For Informational Purposes Only

** Calculation Based on Jurisdictional KWH Sales

EXHIBIT NO. _____
DOCKET NO. 20230001-E1
FLORIDA PUBLIC UTILITIES COMPANY
(MDN-2)
PAGE 1 OF 9

FLORIDA PUBLIC UTILITIES COMPANY
FUEL AND PURCHASED POWER
COST RECOVERY CLAUSE CALCULATION

ESTIMATED FOR THE PERIOD: APRIL 2023 THROUGH DECEMBER 2023

FLORIDA DIVISION-CONSOLIDATED

	(a)	(b)	(c)
	DOLLARS	MWH	CENTS/KWH
APPORTIONMENT OF DEMAND COSTS			
31	Total Demand Costs (Line 31a)	12,170,552	
32	GSLD1 Portion of Demand Costs (Line 31a) Including Line Losses(Line 27c x \$5.85)	136,334	251,500 (KW) \$0.54 /KW
33	Balance to Other Classes	12,034,218	481,741 2.49807
APPORTIONMENT OF NON-DEMAND COSTS			
34	Total Non-demand Costs(Line 31b)	38,063,273	
35	Total KWH Purchased (Line 12)	538,994 KWH	
36	Average Cost per KWH Purchased		7.06191
37	Average Cost Adjusted for Line Losses (Line 36 x 1.03)		7.27377
38	GSLD1 Non-demand Costs (Line 27a x Line 37)	1,322,180	8.77803
39	Balance to Other Classes	36,741,093	481,741 7.62674
GSLD1 PURCHASED POWER COST RECOVERY FACTORS			
40a	Total GSLD1 Demand Costs (Line 32)	136,334	251,500 (KW) \$0.54 /KW
40b	Revenue Tax Factor		1.00072
40c	GSLD1 Demand Purchased Power Factor Adjusted for Taxes & Rounded		\$0.54 /KW
40d	Total Current GSLD1 Non-demand Costs(Line 38)	1,322,180	15,062 8.77803
40e	Total Non-demand Costs Including True-up	1,322,180	15,062 8.77803
40f	Revenue Tax Factor		1.00072
40g	GSLD1 Non-demand Costs Adjusted for Taxes & Rounded		8.78435
OTHER CLASSES PURCHASED POWER COST RECOVERY FACTORS			
41a	Total Demand & Non-demand Purchased Power Costs of Other Classes(Line 33 + 39)	48,775,312	481,741 10.12481
41b	Less: Total Demand Cost Recovery	12,034,218 ***	
41c	Total Other Costs to be Recovered	36,741,093	481,741 7.62674
41d	Unbilled Revenue	0	481,741 0.00000
41e	Other Classes' Portion of True-up (Line 30c)	19,002,003	481,741 3.94445
41f	Total Demand & Non-demand Costs Including True-up	55,743,096	481,741 11.57118
42	Revenue Tax Factor		1.00072
43	Other Classes Purchased Power Factor Adjusted for Taxes & Rounded	55,783,231	11.580

* For Informational Purposes Only

** Calculation Based on Jurisdictional KWH Sales

*** Calculation on Schedule E1 Page 3

EXHIBIT NO. _____
DOCKET NO. 20230001-EI
FLORIDA PUBLIC UTILITIES COMPANY
(MDN-2)
PAGE 2 OF 9

FLORIDA PUBLIC UTILITIES COMPANY
FUEL AND PURCHASED POWER
COST RECOVERY CLAUSE CALCULATION

ESTIMATED FOR THE PERIOD: APRIL 2023 THROUGH DECEMBER 2023

FLORIDA DIVISION-CONSOLIDATED

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			(1)/(2)*8,760			(3)*(4)	(1)*(5)	(6)/Total Col. (6)	(7)/Total Col. (7)
Rate Schedule	KWH Sales	12 CP Load Factor	CP KW At Meter	Demand Loss Factor	Energy Loss Factor	CP KW At GEN.	KWH At GEN.	12 CP Demand Percentage	Energy Percentage
44 RS	234,381,603	62.230%	42,995.2	1.089	1.030	46,821.8	241,413,051	51.52%	48.65%
45 GS	43,239,336	59.720%	8,265.2	1.089	1.030	9,000.8	44,536,516	9.90%	8.98%
46 GSD	126,142,368	70.610%	20,393.4	1.089	1.030	22,208.4	129,926,639	24.43%	26.18%
47 GS LD	72,352,535	69.950%	11,807.6	1.089	1.030	12,858.5	74,523,111	14.15%	15.02%
48 LS	5,624,851	43484.580%	1.5	1.089	1.030	1.6	5,793,597	0.00%	1.17%
49	0	43484.580%	0.0	1.089	1.030	0.0	0	0.00%	0.00%
TOTAL	481,740,693		83,462.9			90,891.1	496,192,914	100.00%	100.00%

	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
	12/13 * (8)	1/13 * (9)	(10) + (11)	Tot. Col. 13 * (9)	(13)/(1)	(14) * 1.00072		(15) + (16)
Rate Schedule	12/13 Of 12 CP	1/13 Of Energy	Demand Allocation Percentage	Demand Dollars	Demand Cost Recovery	Demand Cost Recovery Adj for Taxes	Other Charges	Levelized Adjustment
50 RS	47.57%	3.75%	51.32%	\$6,175,961	0.02635	0.02637	0.11580	\$ 0.14217
51 GS	9.14%	0.69%	9.83%	1,182,964	0.02736	0.02738	0.11580	\$ 0.14318
52 GSD	22.55%	2.01%	24.56%	2,955,604	0.02343	0.02345	0.11580	\$ 0.13925
53 GS LD	13.06%	1.16%	14.22%	1,711,266	0.02365	0.02367	0.11580	\$ 0.13947
54 LS	0.00%	0.09%	0.09%	10,831	0.00193	0.00193	0.11580	\$ 0.11773
TOTAL	92.32%	7.70%	100.02%	\$12,034,218				

Step Rate Allocation for Residential Customers

	(18)	(19)	(20)	(21)
				(19) * (20)
Rate Schedule	Allocation	Annual kWh	Levelized Adj.	Revenues
56 RS	Sales	234,381,603	\$0.14217	\$33,322,032
57 RS	<= 1,000kWh/mo.	168,681,882	\$0.13867	\$23,390,461
58 RS	> 1,000 kWh/mo.	65,699,721	\$0.15117	\$9,931,571
59 RS	Total Sales	234,381,603		\$33,322,032

(2) From FPL Capacity Recovery Clause Projection Filing Docket 20220001-EI Exhibit RBD-8 page 3 of 41

TOU Rates

	(22)	(23)	(24)	(25)
	On Peak Rate	Off Peak Rate	Levelized Adj. On Peak	Levelized Adj. Off Peak
Rate Schedule	Differential	Differential		
60 RS	0.0640	(0.0390)	\$0.22267	\$0.09967
61 GS	0.0400	(0.0500)	\$0.18318	\$0.09318
62 GSD	0.0400	(0.0325)	\$0.17925	\$0.10675
63 GS LD	0.0600	(0.0300)	\$0.19947	\$0.10947
64 Interruptible	(0.0150)	-	\$0.12447	\$0.13947

FLORIDA PUBLIC UTILITIES COMPANY
CALCULATION OF TRUE-UP SURCHARGE
APPLICABLE TO LEVELIZED FUEL ADJUSTMENT PERIOD
JANUARY 2022 - MARCH 2023
BASED ON ACTUAL 2022 OPERATIONS AND ESTIMATED JANUARY-MARCH 2023

FLORIDA DIVISION-CONSOLIDATED

Under-recovery of purchased power costs for the period January to December 2022 (See Schedule C-1 MDN-4), Calculation of Estimated Purchased Power Costs and Calculation of True- Up and Interest Provision for the Twelve Month Period ended December 2022.)(Actual)	\$ 30,840,176
Less Portion deferred in November 2022 filing	(14,127,487)
Plus Interest on deferred underrecovery	600,418
Portion of 2022 Under-recovery to be collected January-December 2023	<u>17,313,107</u>
Additional Under-recovery January-March 2023 to be collected April-December 2023	1,688,896
Portion of 2022 Under-recovery to be collected for the period April 2023 - December 2023	\$ <u>19,002,003</u>
Estimated kilowatt hour sales for the months of April 2023 - December 2023 as per estimate filed with the Commission. (Excludes GSLD1 customers)	481,740,693
Cents per kilowatt hour necessary to collect total under-recovered purchased power costs over the period January 2023- December 2023	6.40182
Cents per kilowatt hour necessary to collect under-recovered purchased power costs over the period April 2023- December 2022	3.94445

FLORIDA PUBLIC UTILITIES COMPANY
FLORIDA DIVISION-CONSOLIDATED
FUEL & PURCHASED POWER COST RECOVERY CLAUSE CALCULATION
 ESTIMATED FOR THE PERIOD: APRIL 2023 THROUGH DECEMBER 2023

LINE NO.		(a)	(b)	(c)	(d)	(e)	(f)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	LINE NO.
		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL PERIOD	
1	FUEL COST OF SYSTEM GENERATION													0	1
1a	NUCLEAR FUEL DISPOSAL													0	1a
2	FUEL COST OF POWER SOLD													0	2
3	FUEL COST OF PURCHASED POWER				1,557,959	1,561,981	2,500,300	2,625,092	2,780,678	2,714,260	2,434,800	1,888,966	1,915,095	20,079,133	3
3a	DEMAND & NON FUEL COST OF PUR POWER				1,224,183	1,363,368	1,579,054	1,600,653	1,624,544	1,581,018	1,375,530	1,230,356	1,504,882	13,083,589	3a
3b	QUALIFYING FACILITIES				1,880,313	1,864,982	1,694,097	1,797,809	1,670,994	1,838,866	1,855,073	1,793,620	1,898,774	16,294,528	3b
4	OTHER FUEL RELATED COSTS				85,692	85,692	87,142	85,692	85,692	87,142	85,692	85,692	88,142	776,575	4
5	TOTAL FUEL & NET POWER TRANSACTIONS (SUM OF LINES A-1 THRU A-4)				4,748,146	4,976,023	5,860,593	6,109,246	6,161,908	6,221,286	5,751,095	4,998,634	5,406,893	50,233,826	5
5a	LESS: TOTAL DEMAND COST RECOVERY				1,119,627	1,247,615	1,441,171	1,485,722	1,481,634	1,464,775	1,270,177	1,132,964	1,390,534	12,034,218	5a
5b	TOTAL OTHER COST TO BE RECOVERED	0	0	0	3,628,519	3,728,408	4,419,422	4,623,525	4,680,274	4,756,511	4,480,918	3,865,671	4,016,359	38,199,607	5b
6	APPORTIONMENT TO GSLED1 CLASS				115,428	83,106	180,180	173,494	201,457	121,166	263,806	191,195	128,683	1,458,514	6
6a	BALANCE TO OTHER CLASSES	0	0	0	3,513,091	3,645,302	4,239,242	4,450,030	4,478,818	4,635,346	4,217,113	3,674,475	3,887,676	36,741,093	6a
6b	SYSTEM KWH SOLD (MWH)				45,159	47,088	57,566	66,085	66,614	64,010	55,121	48,168	46,993	496,803	6b
7	GSLED1 MWH SOLD				908	618	1,813	2,050	2,116	1,396	2,988	2,010	1,164	15,062	7
7a	BALANCE MWH SOLD OTHER CLASSES				44,252	46,470	55,753	64,035	64,496	62,613	52,132	46,158	45,829	481,741	7a
7b	COST PER KWH SOLD (CENTS/KWH) APPLICABLE TO OTHER CLASSES	0	0	0	7.93891	7.84445	7.6036	6.94938	6.94407	7.40314	8.08922	7.9606	8.48302	7.62674	7b
8	JURISDICTIONAL LOSS MULTIPLIER	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	8
9	JURISDICTIONAL COST (CENTS/KWH)	0.00000	0.00000	0.00000	7.93891	7.84445	7.60360	6.94938	6.94407	7.40314	8.08922	7.96060	8.48302	7.62674	9
10	PROJECTED UNBILLED REVENUES(CENTS/KWH)	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	10
11	GPIF (CENTS/KWH)														11
12	TRUE-UP (CENTS/KWH)				3.94445	3.94445	3.94445	3.94445	3.94445	3.94445	3.94445	3.94445	3.94445	3.94445	12
13	TOTAL				11.88336	11.78890	11.54805	10.89383	10.88852	11.34759	12.03367	11.90505	12.42747	11.57119	13
14	REVENUE TAX FACTOR	0.00072	0.00000	0.00000	0.00856	0.00849	0.00831	0.00784	0.00784	0.00817	0.00866	0.00857	0.00895	0.00833	14
15	RECOVERY FACTOR ADJUSTED FOR TAXES	0.00000	0.00000	0.00000	11.89192	11.79739	11.55636	10.90167	10.89636	11.35576	12.04233	11.91362	12.43642	11.57952	15
16	RECOVERY FACTOR ROUNDED TO NEAREST .001 CENT/KWH	0	0	0	11.892	11.797	11.556	10.902	10.896	11.356	12.042	11.914	12.436	11.580	16

FLORIDA PUBLIC UTILITIES COMPANY
FLORIDA DIVISION-CONSOLIDATED
PURCHASED POWER
(EXCLUSIVE OF ECONOMY ENERGY PURCHASES)

ESTIMATED FOR THE PERIOD: APRIL 2023 THROUGH DECEMBER 2023

(1) MONTH	(2) PURCHASED FROM	(3) TYPE & SCHEDULE	(4) TOTAL KWH PURCHASED	(5) KWH FOR OTHER UTILITIES	(6) KWH FOR INTERRUPTIBLE	(7) KWH FOR FIRM	(8) CENTS/KWH		(9) TOTAL \$ FOR FUEL ADJ. (7) x (8) (A)
							(A) FUEL COST	(B) TOTAL COST	
JANUARY 2023	FPL / GULF POWER	MS				0			
FEBRUARY 2023	FPL / GULF POWER	MS				0			
MARCH 2023	FPL / GULF POWER	MS				0			
APRIL 2023	FPL / GULF POWER	MS	32,867,279			32,867,279	4.740152	8.636443	1,557,959
MAY 2023	FPL / GULF POWER	MS	36,418,144			36,418,144	4.563607	8.462186	1,661,981
JUNE 2023	FPL / GULF POWER	MS	50,099,607			50,099,607	4.990659	8.255107	2,500,300
JULY 2023	FPL / GULF POWER	MS	52,129,781			52,129,781	5.035686	8.214436	2,625,092
AUGUST 2023	FPL / GULF POWER	MS	54,410,518			54,410,518	5.110553	8.199967	2,780,678
SEPTEMBER 2023	FPL / GULF POWER	MS	52,974,315			52,974,315	5.123729	8.214737	2,714,260
OCTOBER 2023	FPL / GULF POWER	MS	48,027,911			48,027,911	5.069553	8.051053	2,434,800
NOVEMBER 2023	FPL / GULF POWER	MS	38,939,399			38,939,399	4.851041	8.155607	1,888,966
DECEMBER 2023	FPL / GULF POWER	MS	39,718,469			39,718,469	4.821675	8.752601	1,915,095
TOTAL			405,585,423	0	0	405,585,423	4.950655	8.301709	20,079,133

FLORIDA PUBLIC UTILITIES COMPANY
 FLORIDA DIVISION-CONSOLIDATED
 PURCHASED POWER
 ENERGY PAYMENT TO QUALIFYING FACILITIES

ESTIMATED FOR THE PERIOD: APRIL 2023 THROUGH DECEMBER 2023

(1) MONTH	(2) PURCHASED FROM	(3) TYPE & SCHEDULE	(4) TOTAL KWH PURCHASED	(5) KWH FOR OTHER UTILITIES	(6) KWH FOR INTERRUPTIBLE	(7) KWH FOR FIRM	(8) CENTS/KWH		(9) TOTAL \$ FOR FUEL ADJ. (7) x (8) (A)
							(A) FUEL COST	(B) TOTAL COST	
JANUARY 2023	WEST-ROCK / RAYONIER / EIGHT FLAGS					0			
FEBRUARY 2023	WEST-ROCK / RAYONIER / EIGHT FLAGS					0			
MARCH 2023	WEST-ROCK / RAYONIER / EIGHT FLAGS					0			
APRIL 2023	WEST-ROCK / RAYONIER / EIGHT FLAGS		15,135,400			15,135,400	12.423279	12.423279	1,880,313
MAY 2023	WEST-ROCK / RAYONIER / EIGHT FLAGS		15,106,600			15,106,600	12.345478	12.345478	1,864,982
JUNE 2023	WEST-ROCK / RAYONIER / EIGHT FLAGS		13,670,700			13,670,700	12.392175	12.392175	1,694,097
JULY 2023	WEST-ROCK / RAYONIER / EIGHT FLAGS		14,592,700			14,592,700	12.319920	12.319920	1,797,809
AUGUST 2023	WEST-ROCK / RAYONIER / EIGHT FLAGS		13,580,000			13,580,000	12.304816	12.304816	1,670,994
SEPTEMBER 2023	WEST-ROCK / RAYONIER / EIGHT FLAGS		15,549,600			15,549,600	11.825809	11.825809	1,838,866
OCTOBER 2023	WEST-ROCK / RAYONIER / EIGHT FLAGS		15,407,000			15,407,000	12.040456	12.040456	1,855,073
NOVEMBER 2023	WEST-ROCK / RAYONIER / EIGHT FLAGS		14,939,700			14,939,700	12.005730	12.005730	1,793,620
DECEMBER 2023	WEST-ROCK / RAYONIER / EIGHT FLAGS		15,427,600			15,427,600	12.307643	12.307643	1,898,774
TOTAL			133,409,300	0	0	133,409,300	12.213937	12.213937	16,294,528

**FLORIDA PUBLIC UTILITIES COMPANY
FLORIDA DIVISION-CONSOLIDATED
RESIDENTIAL BILL COMPARISON**

ESTIMATED FOR THE PERIOD: APRIL 2023 THROUGH DECEMBER 2023

JANUARY 2023	FEBRUARY 2023	MARCH 2023	APRIL 2023	MAY 2023	JUNE 2023	JULY 2023
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BASE RATE REVENUES ** \$	57.11	57.11	57.11	57.11	57.11	57.11	57.11
FUEL RECOVERY FACTOR CENTS/KWH	11.40	11.40	11.40	13.87	13.87	13.87	13.87
GROUP LOSS MULTIPLIER	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
FUEL RECOVERY REVENUES \$	113.96	113.96	113.96	138.67	138.67	138.67	138.67
GROSS RECEIPTS TAX	4.39	4.39	4.39	5.02	5.02	5.02	5.02
TOTAL REVENUES *** \$	175.46	175.46	175.46	200.80	200.80	200.80	200.80

AUGUST 2023	SEPTEMBER 2023	OCTOBER 2023	NOVEMBER 2023	DECEMBER 2023
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PERIOD TOTAL

BASE RATE REVENUES ** \$	57.11	57.11	57.11	57.11	57.11	685.32
FUEL RECOVERY FACTOR CENTS/KWH	13.87	13.87	13.87	13.87	13.87	
GROUP LOSS MULTIPLIER	1.00000	1.00000	1.00000	1.00000	1.00000	
FUEL RECOVERY REVENUES \$	138.67	138.67	138.67	138.67	138.67	1,589.91
GROSS RECEIPTS TAX	5.02	5.02	5.02	5.02	5.02	58.35
TOTAL REVENUES *** \$	200.80	200.80	200.80	200.80	200.80	2,333.58

* MONTHLY AND CUMULATIVE TWELVE MONTH ESTIMATED DATA

** BASE RATE REVENUES PER 1000 KWH:

CUSTOMER CHARGE	16.95
CENTS/KWH	23.73
CONSERVATION FACTOR	1.13
STORM PROTECTION PLAN	
COST RECOVERY	2.50
STORM SURCHARGE	
(Michael/Dorian)	12.80
	<u>57.11</u>

EXHIBIT NO. _____
DOCKET NO. 20230001-EI
FLORIDA PUBLIC UTILITIES COMPANY
(MDN-2)
PAGE 8 OF 9

*** EXCLUDES FRANCHISE TAXES

FLORIDA PUBLIC UTILITIES COMPANY
 CALCULATION OF PURCHASED POWER COSTS AND
 CALCULATION OF TRUE-UP AND INTEREST PROVISION-EXCLUDING GSLD1
 ESTIMATED FOR THE PERIOD: APRIL 2023 THROUGH DECEMBER 2023
 BASED ON TWELVE MONTHS ESTIMATED
 (EXCLUDES LINE LOSS, EXCLUDES TAXES)

Schedule F1

FLORIDA DIVISION - CONSOLIDATED

	Estimated JANUARY 2023	Estimated FEBRUARY 2023	Estimated MARCH 2023	Estimated APRIL 2023	Estimated MAY 2023	Estimated JUNE 2023	Estimated JULY 2023	Estimated AUGUST 2023	Estimated SEPTEMBER 2023	Estimated OCTOBER 2023	Estimated NOVEMBER 2023	Estimated DECEMBER 2023	Total Estimated
Total System Sales - KWH	52,618,063	49,299,541	42,452,430	45,199,034	47,087,930	57,566,206	65,084,961	66,614,038	64,009,551	55,120,814	48,167,930	46,992,605	641,173,103
West-Rock Purchases - KWH	1,100,000	1,150,000	240,000	240,000	360,000	190,000	350,000	350,000	590,000	320,000	530,000	440,000	6,080,000
Raymer Purchases - KWH - On Peak	79,800	64,960	66,332	54,712	41,048	42,196	28,796	36,400	72,688	136,360	142,716	85,528	846,486
Raymer Purchases - KWH - Off Peak	205,200	197,040	170,568	140,888	105,852	108,534	73,044	93,600	186,912	380,640	366,584	207,072	2,176,704
Eight Flags Purchases - KWH	15,180,000	13,530,000	15,400,000	14,700,000	14,600,000	13,100,000	14,300,000	13,100,000	14,700,000	14,600,000	13,900,000	14,700,000	171,810,000
Gulf Power Purchases - KWH-BLOCK	20,526,960	17,707,200	17,408,600	18,079,200	20,988,240	21,204,000	21,910,800	22,141,440	21,204,000	20,988,240	19,864,800	22,141,440	244,165,920
Gulf Power Purchases - KWH-LOAD	2,421,656	5,420,699	2,267,292	4,101,604	1,165,139	4,046,013	5,027,110	6,214,722	7,716,884	8,004,838	3,795,156	5,409,763	55,550,672
FPL Purchases - KWH BLOCK	7,082,890	6,021,120	6,350,400	6,350,400	8,541,120	9,475,200	10,311,840	9,809,260	9,172,800	8,645,280	6,552,000	9,270,240	97,772,640
FPL Purchases - KWH LOAD	7,344,787	8,908,971	2,564,708	4,336,075	5,723,645	15,374,395	14,880,031	16,954,295	14,880,631	10,389,753	8,757,443	2,897,026	112,110,156
FPL Demand - KW BLOCK	56,100	38,500	39,400	41,800	55,400	56,200	56,200	56,200	56,200	56,200	56,200	56,200	540,500
FPL Demand - KW LOAD	46,621	29,505	44,176	28,894	40,101	58,542	59,867	62,617	59,459	42,954	27,977	42,139	542,851
FPL Transmission KW Block	56,100	38,500	39,400	41,800	55,400	56,200	56,200	56,200	56,200	56,200	56,200	56,200	540,500
FPL Transmission KW Load	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	168,000
Gulf Power Demand KW	91,000	91,000	91,000	91,000	91,000	91,000	91,000	91,000	91,000	91,000	91,000	91,000	1,092,000
Southern Co - KW	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	372,000
Purchased Power Rates:													
CCA Fuel Costs - \$/KWH	0.06003	0.06003	0.06003	0.06003	0.06003	0.06003	0.06003	0.06003	0.06003	0.06003	0.06003	0.06003	0.06003
Raymer -Energy Charge- On Peak - \$/KWH	0.08667	0.08667	0.08667	0.08667	0.08667	0.08667	0.08667	0.08667	0.08667	0.08667	0.08667	0.08667	0.08667
Raymer- Energy Charge - Off Peak - \$/KWH	0.07303	0.07303	0.07303	0.07303	0.07303	0.07303	0.07303	0.07303	0.07303	0.07303	0.07303	0.07303	0.07303
Base Fuel Costs - \$/KWH	0.09413	0.09413	0.09413	0.09413	0.09413	0.09413	0.09413	0.09413	0.09413	0.09413	0.09413	0.09413	0.09413
Demand and Non-Fuel:													
Demand Charge - \$/KW	7.23	7.23	7.23	7.23	7.23	7.23	7.23	7.23	7.23	7.23	14.31	14.31	14.31
Distribution Charge	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Transmission Charge \$/KW	4.11	4.11	4.11	4.11	4.11	4.11	4.11	4.11	4.11	4.11	4.11	4.11	4.11
Purchased Power Costs:													
West-Rock Fuel Costs	66,029	60,030	23,410	14,408	21,609	25,211	11,405	21,009	35,415	19,208	31,814	26,411	364,257
Raymer Standby Costs	21,902	17,829	18,206	15,016	11,266	11,581	7,892	9,991	19,950	37,426	39,170	22,101	232,329
Eight Flags Costs	2,900,294	2,012,330	2,210,298	1,850,950	1,832,107	1,657,305	1,778,511	1,639,959	1,703,501	1,738,440	1,722,036	1,650,262	22,436,565
Gulf / FPL Fuel Costs -LOAD	919,379	1,209,463	400,443	629,429	428,609	1,411,739	1,411,739	1,426,309	1,189,154	781,722	540,470	11,367,316	11,367,316
Gulf / FPL Fuel Costs -BLOCK	1,770,138	1,452,577	1,395,983	1,028,831	1,233,389	1,286,995	1,367,484	1,368,939	1,287,958	1,265,637	1,107,245	1,374,625	15,870,820
Subtotal Fuel Costs	5,077,742	4,841,229	3,988,340	3,438,271	5,526,963	4,194,397	4,422,900	4,451,673	4,553,126	4,288,873	3,682,586	3,813,869	50,280,970
Demand and Non-Fuel Costs:													
Generation Demand Charge	912,413	767,956	794,575	720,566	803,630	953,996	967,249	986,941	958,285	820,707	717,927	886,252	10,299,491
Gulf/FPL CUSTOMER CHARGE	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	48,000
Gulf / FPL VOM Costs -LOAD	12,936	18,977	6,400	11,176	9,124	25,722	26,367	29,496	29,930	24,363	16,588	11,002	222,041
Gulf / FPL VOM Costs -BLOCK	71,732	61,648	61,730	63,470	76,719	79,707	83,504	78,921	76,990	68,633	81,610	888,378	888,378
Transmission Charge	518,094	465,021	461,628	415,971	469,895	515,629	519,321	520,603	509,882	449,471	423,211	522,017	5,790,743
Subtotal Demand & Non-Fuel Costs	1,919,175	1,317,596	1,329,333	1,224,183	1,363,368	1,579,054	1,600,653	1,624,544	1,618,018	1,375,530	1,230,356	1,504,882	17,248,639
Total System Purchased Power Costs	6,996,916	6,158,825	5,316,673	4,662,454	4,890,331	5,773,451	6,023,554	6,076,218	6,134,144	5,665,404	4,912,943	5,318,751	67,529,663
Less Direct Billing To GSD11 Class:													
Demand	20,281	39,713	25,910	25,910	25,910	28,454	848	25,910	3,392	0	8,174	17,736	223,238
Commodity	325,154	219,759	134,478	89,518	57,196	151,728	172,646	175,547	117,774	263,806	163,021	110,942	2,001,573
Net Purchased Power Costs	6,251,481	5,899,352	5,156,284	4,547,026	4,807,225	5,593,272	5,850,059	5,874,761	6,012,978	5,401,598	4,721,747	5,190,068	65,305,852
COVID-19-Rest Assmt Exp.	56,422	56,422	56,422	56,422	56,422	56,422	56,422	56,422	56,422	56,422	56,422	56,422	677,064
Other Fuel Related Costs	29,270	29,270	30,720	29,270	29,270	30,720	29,270	29,270	30,720	29,270	29,270	31,720	359,037
Net Purchased Power Costs	6,337,173	5,985,044	5,243,426	4,632,718	4,892,917	5,680,413	5,935,751	5,960,453	6,100,120	5,487,290	4,807,439	5,278,210	66,340,953
Sales Revenues													
Fuel Adjustment Revenues:													
RS <= 1,000 kWh/mo	0.11387	0.13857	2,107,875	2,068,739	1,886,593	2,302,292	2,382,901	2,698,026	2,886,757	2,906,772	2,853,423	2,571,326	2,368,209
RS > 1,000 kWh/mo	0.12636	0.15106	896,914	779,095	696,798	856,736	875,936	1,059,796	1,159,339	1,059,339	987,423	587,427	2,404,242
GS	0.11789	0.14308	485,722	487,113	436,598	537,894	569,465	676,649	794,859	821,431	821,701	733,660	621,740
GSD	0.11193	0.13915	1,410,227	1,338,662	1,259,449	1,696,762	1,756,331	2,041,649	2,283,065	2,244,067	1,920,360	1,730,963	1,606,673
GSLD	0.10929	0.13937	761,120	693,180	623,227	1,019,307	1,009,548	1,108,811	1,223,603	1,176,120	1,289,053	1,144,461	1,083,202
LS	0.09348	0.11765	254,558	178,839	105,925	73,544	73,542	74,056	73,620	73,357	74,009	73,194	72,641
Unbilled Fuel Revenues	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fuel Revenues (Excl. GSD11)	5,916,116	5,545,618	4,750,831	6,195,595	6,517,323	7,852,294	9,050,431	9,120,423	8,834,202	7,321,130	6,464,735	6,427,643	83,996,341
GSD11 Fuel Revenues	0.10675	0.10675	345,435	269,472	160,389	115,428	83,106	180,180	173,494	201,457	121,166	263,806	191,195
Non-Fuel Revenues	612,867	875,589	1,192,626	1,055,345	86,295	112,597	23,460	641,373	271,331	1,447,799	654,676	671,088	1,193,497
Total Sales Revenue	6,874,219	6,680,686	6,103,845	7,355,678	6,685,724	8,145,070	9,300,465	8,680,507	8,184,037	6,137,137	5,791,054	6,085,238	84,526,655
KWH Sales:													
RS <= 1,000 kWh/mo	18,511,242	18,167,555	16,567,958	16,614,651	17,194,206	19,474,821	20,832,483	20,976,921	20,591,927	18,566,151	17,090,344	17,350,378	221,928,637
RS > 1,000 kWh/mo	7,095,708	6,165,598	3,474,511	3,752,128	4,804,950	8,290,785	11,900,842	12,310,856	10,280,343	5,809,102	3,898,701	4,602,014	82,435,538
GS	4,120,129	4,131,826	3,703,438	3,759,395	3,980,049	4,729,845	5,555,417	5,741,000	5,742,951	5,127,020	4,345,403	4,257,596	55,194,829
GSD	12,590,185	11,959,816	11,252,116	12,186,978	12,621,851	16,340,937	16,407,219	16,126,961	16,126,961	13,800,648	12,439,548	11,564,335	161,963,485
GSLD	6,964,221	6,342,574	5,702,503	7,313,676	7,243,655	7,955,880	8,779,528	8,438,835	9,241,971	8,211,675	7,772,134	7,395,181	91,361,833
GSD11	2,723,125	1,913,125	1,133,125	907,500	618,125	1,813,125	2,050,001	2,115,625	1,396,333	2,988,333			

FLORIDA PUBLIC UTILITIES COMPANY
FUEL AND PURCHASED POWER
COST RECOVERY CLAUSE CALCULATION

ESTIMATED FOR THE PERIOD: APRIL 2023 THROUGH DECEMBER 2023

<u>FLORIDA DIVISION-CONSOLIDATED</u>		(a) DOLLARS	(b) MWH	(c) CENTS/KWH
1	Fuel Cost of System Net Generation (E3)			
2	Nuclear Fuel Disposal Costs (E2)			
3	Coal Car Investment			
4	Adjustments to Fuel Cost			
5	TOTAL COST OF GENERATED POWER (LINE 1 THRU 4)	<u>0</u>	<u>0</u>	<u>0.00000</u>
6	Fuel Cost of Purchased Power (Exclusive of Economy) (E7)	20,079,133	405,585	4.95066
7	Energy Cost of Sched C & X Econ Purch (Broker) (E9)			
8	Energy Cost of Other Econ Purch (Non-Broker) (E9)			
9	Energy Cost of Sched E Economy Purch (E9)			
10	Demand & Non Fuel Cost of Purch Power (E2)	13,757,387	405,585	3.39199
10a	Demand Costs of Purchased Power	12,170,552 *		
10b	Non-fuel Energy & Customer Costs of Purchased Power	1,586,835 *		
11	Energy Payments to Qualifying Facilities (E8a)	<u>16,294,528</u>	<u>133,409</u>	<u>12.21396</u>
12	TOTAL COST OF PURCHASED POWER (LINE 6 THRU 11)	<u>50,131,048</u>	<u>538,994</u>	<u>9.30085</u>
13	TOTAL AVAILABLE KWH (LINE 5 + LINE 12)	50,131,048	<u>538,994</u>	9.30085
14	Fuel Cost of Economy Sales (E6)			
15	Gain on Economy Sales (E6)			
16	Fuel Cost of Unit Power Sales (SL2 Partpts) (E6)			
17	Fuel Cost of Other Power Sales			
18	TOTAL FUEL COST AND GAINS OF POWER SALES	<u>0</u>	<u>0</u>	<u>0.00000</u>
19	Net Inadvertent Interchange			
20	TOTAL FUEL & NET POWER TRANSACTIONS (LINE 5 + 12 + 18 + 19)	<u>50,131,048</u>	<u>538,994</u>	<u>9.30085</u>
21	Net Unbilled Sales	0 *	0	0.00000
22	Company Use	37,296 *	401	0.00751
23	T & D Losses	3,886,819 *	41,790	0.78237
24	SYSTEM MWH SALES	<u>50,131,048</u>	<u>496,803</u>	<u>10.09073</u>
25	Wholesale MWH Sales			
26	Jurisdictional MWH Sales	50,131,048	496,803	10.09073
26a	Jurisdictional Loss Multiplier	1.00000	1.00000	
27	Jurisdictional MWH Sales Adjusted for Line Losses	50,131,048	496,803	10.09073
27a	GSLD1 MWH Sales		15,062	
27b	Other Classes MWH Sales		481,741	
27c	GSLD1 CP KW		31,600 *	
28	Projected Unbilled Revenues	0	481,741	0.00000
29	GPIF **			
30	TRUE-UP (OVER) UNDER RECOVERY **	<u>32,496,966</u>	<u>481,741</u>	<u>6.74574</u>
31	TOTAL JURISDICTIONAL FUEL COST	<u>82,628,014</u>	<u>481,741</u>	<u>17.15197</u>
31a	Demand Purchased Power Costs (Line 10a)	12,170,552 *		
31b	Non-demand Purchased Power Costs (Lines 6 + 10b + 11)	37,960,496 *		
31c	True up Over/Under Recovery (Line 29)	32,496,966 *		
31d	Unbilled Revenues	0		

* For Informational Purposes Only

** Calculation Based on Jurisdictional KWH Sales

EXHIBIT NO. _____
DOCKET NO. 20230001-EI
FLORIDA PUBLIC UTILITIES COMPANY
(MDN-3)
PAGE 1 OF 8

FLORIDA PUBLIC UTILITIES COMPANY
FUEL AND PURCHASED POWER
COST RECOVERY CLAUSE CALCULATION

ESTIMATED FOR THE PERIOD: APRIL 2023 THROUGH DECEMBER 2023

<u>FLORIDA DIVISION-CONSOLIDATED</u>		(a)	(b)	(c)
		DOLLARS	MWH	CENTS/KWH
APPORTIONMENT OF DEMAND COSTS				
31	Total Demand Costs (Line 31a)	12,170,552		
32	GSLD1 Portion of Demand Costs (Line 31a) Including Line Losses(Line 27c x \$5.85)	136,334	251,500 (KW)	\$0.54 /KW
33	Balance to Other Classes	12,034,218	481,741	2.49807
APPORTIONMENT OF NON-DEMAND COSTS				
34	Total Non-demand Costs(Line 31b)	37,960,496		
35	Total KWH Purchased (Line 12)		538,994 KWH	
36	Average Cost per KWH Purchased			7.04284
37	Average Cost Adjusted for Line Losses (Line 36 x 1.03)			7.25413
38	GSLD1 Non-demand Costs (Line 27a x Line 37)	1,317,019	15,062	8.74376
39	Balance to Other Classes	36,643,477	481,741	7.60647
GSLD1 PURCHASED POWER COST RECOVERY FACTORS				
40a	Total GSLD1 Demand Costs (Line 32)	136,334	251,500 (KW)	\$0.54 /KW
40b	Revenue Tax Factor			1.00072
40c	GSLD1 Demand Purchased Power Factor Adjusted for Taxes & Rounded			\$0.54 /KW
40d	Total Current GSLD1 Non-demand Costs(Line 38)	1,317,019	15,062	8.74376
40e	Total Non-demand Costs Including True-up	1,317,019	15,062	8.74376
40f	Revenue Tax Factor			1.00072
40g	GSLD1 Non-demand Costs Adjusted for Taxes & Rounded			8.75006
OTHER CLASSES PURCHASED POWER COST RECOVERY FACTORS				
41a	Total Demand & Non-demand Purchased Power Costs of Other Classes(Line 33 + 39)	48,677,696	481,741	10.10454
41b	Less: Total Demand Cost Recovery	12,034,218 ***		
41c	Total Other Costs to be Recovered	36,643,477	481,741	7.60647
41d	Unbilled Revenue	0	481,741	0.00000
41e	Other Classes' Portion of True-up (Line 30c)	32,496,966	481,741	6.74574
41f	Total Demand & Non-demand Costs Including True-up	69,140,443	481,741	14.35221
42	Revenue Tax Factor			1.00072
43	Other Classes Purchased Power Factor Adjusted for Taxes & Rounded	69,190,225		14.363

* For Informational Purposes Only

** Calculation Based on Jurisdictional KWH Sales

*** Calculation on Schedule E1 Page 3

EXHIBIT NO. _____
DOCKET NO. 20230001-EI
FLORIDA PUBLIC UTILITIES COMPANY
(MDN-3)
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FLORIDA PUBLIC UTILITIES COMPANY
FUEL AND PURCHASED POWER
COST RECOVERY CLAUSE CALCULATION

ESTIMATED FOR THE PERIOD: APRIL 2023 THROUGH DECEMBER 2023

FLORIDA DIVISION-CONSOLIDATED

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			(1)/((2)*8,760)			(3)*(4)	(1)*(5)	(6)/Total Col. (6)	(7)/Total Col. (7)
Rate Schedule	KWH Sales	12 CP Load Factor	CP KW At Meter	Demand Loss Factor	Energy Loss Factor	CP KW At GEN.	KWH At GEN.	12 CP Demand Percentage	Energy Percentage
44 RS	234,381,603	62.230%	42,995.2	1.089	1.030	46,821.8	241,413,051	51.51%	48.65%
45 GS	43,239,336	59.720%	8,265.2	1.089	1.030	9,000.8	44,536,516	9.90%	8.98%
46 GSD	126,142,368	70.610%	20,393.4	1.089	1.030	22,208.4	129,926,639	24.43%	26.18%
47 GS LD	72,352,535	69.950%	11,807.6	1.089	1.030	12,858.5	74,523,111	14.15%	15.02%
48 LS	5,624,851	43484.580%	1.5	1.089	1.030	1.6	5,793,597	0.00%	1.17%
49	0	43484.580%	0.0	1.089	1.030	0.0	0	0.00%	0.00%
TOTAL	481,740,693		83,462.9			90,891.1	496,192,914	99.99%	100.00%

	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
	12/13 * (8)	1/13 * (9)	(10) + (11)	Tot. Col. 13 * (9)	(13)/(1)	(14) * 1.00072		(15) + (16)
Rate Schedule	12/13 Of 12 CP	1/13 Of Energy	Demand Allocation Percentage	Demand Dollars	Demand Cost Recovery	Demand Cost Recovery Adj for Taxes	Other Charges	Levelized Adjustment
50 RS	47.56%	3.75%	51.31%	\$6,174,757	0.02634	0.02636	0.14363	\$ 0.16999
51 GS	9.14%	0.69%	9.83%	1,182,964	0.02736	0.02738	0.14363	\$ 0.17101
52 GSD	22.55%	2.01%	24.56%	2,955,604	0.02343	0.02345	0.14363	\$ 0.16708
53 GS LD	13.06%	1.16%	14.22%	1,711,266	0.02365	0.02367	0.14363	\$ 0.16730
54 LS	0.00%	0.09%	0.09%	10,831	0.00193	0.00193	0.14363	\$ 0.14556
TOTAL	92.31%	7.70%	100.01%	\$12,034,218				

Step Rate Allocation for Residential Customers

	(18)	(19)	(20)	(21)
				(19) * (20)
Rate Schedule	Allocation	Annual kWh	Levelized Adj.	Revenues
56 RS	Sales	234,381,603	\$0.16999	\$39,842,529
57 RS	<= 1,000kWh/mo.	168,681,882	\$0.16649	\$28,083,191
58 RS	> 1,000 kWh/mo.	65,699,721	\$0.17899	\$11,759,338
59 RS	Total Sales	234,381,603		\$39,842,529

(2) From FPL Capacity Recovery Clause Projection Filing Docket 20220001-EI Exhibit RBD-8 page 3 of 41

TOU Rates

	(22)	(23)	(24)	(25)
	On Peak Rate	Off Peak Rate	Levelized Adj. On Peak	Levelized Adj. Off Peak
Rate Schedule	Differential	Differential		
60 RS	0.0840	(0.0390)	\$0.25049	\$0.12749
61 GS	0.0400	(0.0500)	\$0.21101	\$0.12101
62 GSD	0.0400	(0.0325)	\$0.20708	\$0.13458
63 GS LD	0.0600	(0.0300)	\$0.22730	\$0.13730
64 Interruptible	(0.0150)	-	\$0.15230	\$0.16730

FLORIDA PUBLIC UTILITIES COMPANY
CALCULATION OF TRUE-UP SURCHARGE
APPLICABLE TO LEVELIZED FUEL ADJUSTMENT PERIOD
JANUARY 2022 - MARCH 2023
BASED ON ACTUAL 2022 OPERATIONS AND ESTIMATED JANUARY-MARCH 2023

FLORIDA DIVISION-CONSOLIDATED

Under-recovery of purchased power costs for the period January to December 2022 (See Schedule C-1 MDN-4), Calculation of Estimated Purchased Power Costs and Calculation of True- Up and Interest Provision for the Twelve Month Period ended December 2022.(Actual)	\$ 30,840,176
Additional Under-recovery January-March 2023 to be collected April-December 2023	1,656,790
Portion of 2022 Under-recovery to be collected for the period April 2023 - December 2023	\$ <u>32,496,966</u>
Estimated kilowatt hour sales for the months of April 2023 - December 2023 as per estimate filed with the Commission. (Excludes GSLD1 customers)	481,740,693
Cents per kilowatt hour necessary to collect total under-recovered purchased power costs over the period January 2023- December 2023	6.40182
Cents per kilowatt hour necessary to collect under-recovered purchased power costs over the period April 2023- December 2022	6.74574

FLORIDA PUBLIC UTILITIES COMPANY
FLORIDA DIVISION-CONSOLIDATED
FUEL & PURCHASED POWER COST RECOVERY CLAUSE CALCULATION
 ESTIMATED FOR THE PERIOD: APRIL 2023 THROUGH DECEMBER 2023

LINE NO.		(a)	(b)	(c)	(d)	(e)	(f)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	LINE NO.
		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE ESTIMATED	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL PERIOD	
1	FUEL COST OF SYSTEM GENERATION													0	1
1a	NUCLEAR FUEL DISPOSAL													0	1a
2	FUEL COST OF POWER SOLD													0	2
3	FUEL COST OF PURCHASED POWER				1,557,959	1,661,981	2,500,300	2,625,092	2,780,678	2,714,260	2,434,800	1,888,966	1,915,095	20,079,133	3
3a	DEMAND & NON FUEL COST OF PUR POWER				1,224,183	1,363,368	1,579,054	1,600,653	1,624,544	1,581,018	1,375,530	1,230,356	1,504,882	13,083,589	3a
3b	QUALIFYING FACILITIES				1,880,313	1,864,982	1,694,097	1,797,809	1,670,994	1,838,866	1,855,073	1,793,620	1,898,774	16,294,528	3b
4	OTHER FUEL RELATED COSTS				74,272	74,272	75,722	74,272	74,272	75,722	74,272	74,272	76,722	673,798	4
5	TOTAL FUEL & NET POWER TRANSACTIONS (SUM OF LINES A-1 THRU A-4)				4,736,727	4,964,603	5,849,173	6,097,827	6,150,489	6,209,866	5,739,676	4,987,215	5,395,473	50,131,048	5
5a	LESS: TOTAL DEMAND COST RECOVERY				1,119,627	1,247,615	1,441,171	1,485,722	1,481,634	1,464,775	1,270,177	1,132,964	1,390,534	12,034,218	5a
5b	TOTAL OTHER COST TO BE RECOVERED	0	0	0	3,617,099	3,716,989	4,408,002	4,612,105	4,668,855	4,745,092	4,469,498	3,854,251	4,004,939	38,096,830	5b
6	APPORTIONMENT TO GSLD1 CLASS				115,014	82,859	179,626	172,888	200,829	120,751	262,785	190,414	128,187	1,453,353	6
6a	BALANCE TO OTHER CLASSES	0	0	0	3,502,085	3,634,130	4,228,376	4,439,217	4,468,026	4,624,341	4,206,713	3,663,837	3,876,752	36,643,477	6a
6b	SYSTEM KWH SOLD (MWH)				45,159	47,088	57,566	66,085	66,614	64,010	55,121	48,168	46,993	496,803	6b
7	GSLD1 MWH SOLD				908	618	1,813	2,050	2,116	1,396	2,988	2,010	1,164	15,062	7
7a	BALANCE MWH SOLD OTHER CLASSES				44,252	46,470	55,753	64,035	64,498	62,613	52,132	46,158	45,829	481,741	7a
7b	COST PER KWH SOLD (CENTS/KWH) APPLICABLE TO OTHER CLASSES	0	0	0	7.91404	7.82041	7.58411	6.93249	6.92734	7.38557	8.06928	7.93755	8.45918	7.60647	7b
8	JURISDICTIONAL LOSS MULTIPLIER	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	8
9	JURISDICTIONAL COST (CENTS/KWH)	0.00000	0.00000	0.00000	7.91404	7.82041	7.58411	6.93249	6.92734	7.38557	8.06928	7.93755	8.45918	7.60647	9
10	PROJECTED UNBILLED REVENUES(CENTS/KWH)	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	10
11	GPIF (CENTS/KWH)														11
12	TRUE-UP (CENTS/KWH)				6.74574	6.74574	6.74574	6.74574	6.74574	6.74574	6.74574	6.74574	6.74574	6.74574	12
13	TOTAL				14.65978	14.56615	14.32985	13.67823	13.67308	14.13131	14.81502	14.68329	15.20492	14.35221	13
14	REVENUE TAX FACTOR	0.00072	0.00000	0.00000	0.01056	0.01049	0.01032	0.00985	0.00984	0.01017	0.01067	0.01057	0.01095	0.01033	14
15	RECOVERY FACTOR ADJUSTED FOR TAXES	0.00000	0.00000	0.00000	14.67034	14.57664	14.34017	13.68808	13.68292	14.14148	14.82569	14.69386	15.21587	14.36254	15
16	RECOVERY FACTOR ROUNDED TO NEAREST .001 CENT/KWH	0	0	0	14.67	14.577	14.34	13.688	13.683	14.141	14.826	14.694	15.216	14.363	16

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FLORIDA PUBLIC UTILITIES COMPANY
FLORIDA DIVISION-CONSOLIDATED
PURCHASED POWER
(EXCLUSIVE OF ECONOMY ENERGY PURCHASES)

ESTIMATED FOR THE PERIOD: APRIL 2023 THROUGH DECEMBER 2023

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		(9)
MONTH	PURCHASED FROM	TYPE & SCHEDULE	TOTAL KWH PURCHASED	KWH FOR OTHER UTILITIES	KWH FOR INTERRUPTIBLE	KWH FOR FIRM	CENTS/KWH		TOTAL \$ FOR FUEL ADJ. (7) x (8) (A)	
							(A) FUEL COST	(B) TOTAL COST		
JANUARY 2023	FPL / GULF POWER	MS				0				
FEBRUARY 2023	FPL / GULF POWER	MS				0				
MARCH 2023	FPL / GULF POWER	MS				0				
APRIL 2023	FPL / GULF POWER	MS	32,867,279			32,867,279	4.740152	8.636443	1,557,959	
MAY 2023	FPL / GULF POWER	MS	36,418,144			36,418,144	4.563607	8.462186	1,661,981	
JUNE 2023	FPL / GULF POWER	MS	50,099,607			50,099,607	4.990659	8.255107	2,500,300	
JULY 2023	FPL / GULF POWER	MS	52,129,781			52,129,781	5.035686	8.214436	2,625,092	
AUGUST 2023	FPL / GULF POWER	MS	54,410,518			54,410,518	5.110553	8.199967	2,780,678	
SEPTEMBER 2023	FPL / GULF POWER	MS	52,974,315			52,974,315	5.123729	8.214737	2,714,260	
OCTOBER 2023	FPL / GULF POWER	MS	48,027,911			48,027,911	5.069553	8.051053	2,434,800	
NOVEMBER 2023	FPL / GULF POWER	MS	38,939,399			38,939,399	4.851041	8.155607	1,888,966	
DECEMBER 2023	FPL / GULF POWER	MS	39,718,469			39,718,469	4.821675	8.752601	1,915,095	
TOTAL			405,585,423	0	0	405,585,423	4.950655	8.301709	20,079,133	

FLORIDA PUBLIC UTILITIES COMPANY
 FLORIDA DIVISION-CONSOLIDATED
 PURCHASED POWER
 ENERGY PAYMENT TO QUALIFYING FACILITIES

ESTIMATED FOR THE PERIOD: APRIL 2023 THROUGH DECEMBER 2023

(1) MONTH	(2) PURCHASED FROM	(3) TYPE & SCHEDULE	(4) TOTAL KWH PURCHASED	(5) KWH FOR OTHER UTILITIES	(6) KWH FOR INTERRUPTIBLE	(7) KWH FOR FIRM	(8) CENTS/KWH		(9) TOTAL \$ FOR FUEL ADJ. (7) x (8) (A)
							(A) FUEL COST	(B) TOTAL COST	
							JANUARY 2023	WEST-ROCK / RAYONIER / EIGHT FLAGS	
FEBRUARY 2023	WEST-ROCK / RAYONIER / EIGHT FLAGS					0			
MARCH 2023	WEST-ROCK / RAYONIER / EIGHT FLAGS					0			
APRIL 2023	WEST-ROCK / RAYONIER / EIGHT FLAGS		15,135,400			15,135,400	12.423279	12.423279	1,880,313
MAY 2023	WEST-ROCK / RAYONIER / EIGHT FLAGS		15,106,600			15,106,600	12.345478	12.345478	1,864,982
JUNE 2023	WEST-ROCK / RAYONIER / EIGHT FLAGS		13,670,700			13,670,700	12.392175	12.392175	1,694,097
JULY 2023	WEST-ROCK / RAYONIER / EIGHT FLAGS		14,592,700			14,592,700	12.319920	12.319920	1,797,809
AUGUST 2023	WEST-ROCK / RAYONIER / EIGHT FLAGS		13,580,000			13,580,000	12.304816	12.304816	1,670,994
SEPTEMBER 2023	WEST-ROCK / RAYONIER / EIGHT FLAGS		15,549,600			15,549,600	11.825809	11.825809	1,838,866
OCTOBER 2023	WEST-ROCK / RAYONIER / EIGHT FLAGS		15,407,000			15,407,000	12.040456	12.040456	1,855,073
NOVEMBER 2023	WEST-ROCK / RAYONIER / EIGHT FLAGS		14,939,700			14,939,700	12.005730	12.005730	1,793,620
DECEMBER 2023	WEST-ROCK / RAYONIER / EIGHT FLAGS		15,427,600			15,427,600	12.307643	12.307643	1,898,774
TOTAL			133,409,300	0	0	133,409,300	12.213937	12.213937	16,294,528

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FLORIDA PUBLIC UTILITIES COMPANY
 FLORIDA DIVISION-CONSOLIDATED
 RESIDENTIAL BILL COMPARISON

ESTIMATED FOR THE PERIOD: APRIL 2023 THROUGH DECEMBER 2023

JANUARY 2023	FEBRUARY 2023	MARCH 2023	APRIL 2023	MAY 2023	JUNE 2023	JULY 2023
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BASE RATE REVENUES ** \$	57.11	57.11	57.11	57.11	57.11	57.11	57.11
FUEL RECOVERY FACTOR CENTS/KWH	11.40	11.40	11.40	16.65	16.65	16.65	16.65
GROUP LOSS MULTIPLIER	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
FUEL RECOVERY REVENUES \$	113.96	113.96	113.96	166.49	166.49	166.49	166.49
GROSS RECEIPTS TAX	4.39	4.39	4.39	5.73	5.73	5.73	5.73
TOTAL REVENUES *** \$	175.46	175.46	175.46	229.33	229.33	229.33	229.33

AUGUST 2023	SEPTEMBER 2023	OCTOBER 2023	NOVEMBER 2023	DECEMBER 2023
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PERIOD TOTAL

BASE RATE REVENUES ** \$	57.11	57.11	57.11	57.11	57.11	685.32
FUEL RECOVERY FACTOR CENTS/KWH	16.65	16.65	16.65	16.65	16.65	
GROUP LOSS MULTIPLIER	1.00000	1.00000	1.00000	1.00000	1.00000	
FUEL RECOVERY REVENUES \$	166.49	166.49	166.49	166.49	166.49	1,840.29
GROSS RECEIPTS TAX	5.73	5.73	5.73	5.73	5.73	64.74
TOTAL REVENUES *** \$	229.33	229.33	229.33	229.33	229.33	2,590.35

* MONTHLY AND CUMULATIVE TWELVE MONTH ESTIMATED DATA

** BASE RATE REVENUES PER 1000 KWH:

CUSTOMER CHARGE	16.95
CENTS/KWH	23.73
CONSERVATION FACTOR	1.13
STORM PROTECTION PLAN	
COST RECOVERY	2.50
STORM SURCHARGE	
(Michael/Dorian)	12.80
	<u>57.11</u>

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*** EXCLUDES FRANCHISE TAXES

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Docket No. 20230001-EI: FUEL AND PURCHASED POWER COST RECOVERY
CLAUSE WITH GENERATING PERFORMANCE INCENTIVE FACTOR

DIRECT TESTIMONY AND EXHIBITS OF NOAH RUSSELL

Date of Filing: February 13, 2023

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

2 A. My name is Noah T. Russell. My business address is 100 Commerce Drive, Suite
3 200, Newark, DE 19713.

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

5 A. I am employed by Chesapeake Utilities Corporation as the Assistant Vice President
6 and Assistant Treasurer.

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

8 A. In 2002, I received a Bachelor of Science in Accounting from University of
9 Delaware in Newark, Delaware and am a licensed Certified Public Accountant in
10 Pennsylvania. I have been in my current position as Assistant Vice President and
11 Assistant Treasurer of Chesapeake Utilities Corporation since September 2021.
12 Prior to joining Chesapeake Utilities Corporation, I held the role of Assistant
13 Treasurer at Sunoco Logistics Partners LP, which was a subsidiary of Energy
14 Transfer. Sunoco Logistics Partners LP owned and operated midstream assets that
15 served to transport crude oil, refined products and natural gas liquids and had certain
16 assets that were regulated by the FERC and the respective state public service
17 commission where the assets were located. In my role at Sunoco Logistics, I
18 managed a 6-person team responsible for long-range planning, cash management and

1 governmental reporting. Under my leadership, we consummated over \$7 billion of
2 capital market transactions to fund a significant growth capital program. With my
3 support and guidance, the governmental reporting team prepared and filed all FERC
4 Form 6 and 6Q's for Sunoco Logistics.

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

6 A. In my role I am responsible, under the leadership and guidance of Chesapeake
7 Utilities Corporation's Chief Financial Officer, for leading the company's treasury
8 strategy, including enterprise treasury operations, corporate finance and banking
9 relationships, accessing capital and managing the corporate capital structure,
10 investment management activities, insurance/risk management oversight, credit
11 management, as well as providing merger and acquisition diligence and integration
12 support.

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

15 A. Yes, I filed direct and rebuttal testimony in Docket 20220067-GU, the recent rate
16 case for the natural gas division.

17 **Q. What is the purpose of your testimony in regards to the fuel under-recovery?**

18 A. My testimony will discuss the costs that are incurred when Chesapeake Utilities
19 Corporation (CUC) secures and borrows under its revolving credit facility and why
20 those costs should be included as part of the fuel under-recovery calculation.

21 **Q. Do you have any exhibits to which you will refer in your testimony?**

1 A. Yes. Exhibit No. NTR-1 which supports the calculation of borrowing costs we are
2 recommending be included in the Special Cost section of the fuel projection and
3 true-up schedules

4 **Q. What costs are incurred when a company secures and borrows under a**
5 **revolving credit facility?**

6 A. To secure the revolving credit facility, CUC incurs upfront fees charged by the
7 participating lenders as well as legal costs. Once obtained, the borrowing costs
8 under the revolving credit facility include a commitment fee, utilization/drawn
9 margin fee and a credit spread adjustment. The commitment fee represents the fee
10 charged for the undrawn portion of the credit facility. The utilization/drawn margin
11 refers to the interest spread charged on what is actually drawn/borrowed by the
12 borrower. The spread will depend on the underlying credit of the borrower and is
13 negotiated as part of the credit agreement. Finally, newer credit facilities include a
14 credit spread adjustment to account for the base interest rate being a risk-fee rate.

15 **Q. What type of Credit Facility does CUC have in place?**

16 A. CUC currently maintains a multi-tranche revolving credit facility with total capacity
17 of \$400,000,000 (Revolver). The two tranches of the facility consist of a
18 \$200,000,000 364-day short-term debt tranche and a \$200,000,000 five-year tranche,
19 both of which have three (3) one-year extension options. Each tranche of the facility
20 also contains a \$100,000,000 accordion provision which gives CUC the ability to
21 increase the size of the facility to \$600,000,000. As of September 30, 2022, the
22 pricing under the 364-day tranche of the Revolver does not include an unused
23 commitment fee and maintains an interest rate of 0.70 percent over Secured

1 Overnight Financing Rate (SOFR) plus a 0.10 percent SOFR Adjustment. The 0.70
2 percent marginal adder is subject to increase if CUC's capital structure should
3 change. As of September 30, 2022, the pricing under the five-year tranche of the
4 Revolver included an unused commitment fee of 0.09 percent and an interest rate of
5 0.95 percent over SOFR plus a 0.10 percent SOFR Adjustment. Like the 364-day
6 tranche, the 0.95 percent marginal adder is subject to increase if CUC's capital
7 structure should change. The pricing for the revolving credit facility is very
8 competitive and comparable to or better than pricing available to many of the other
9 publicly traded gas utilities that also have investment grade debt.

10 **Q. Does CUC have a Commercial Paper Program?**

11 A. No, CUC does not currently have a Commercial Paper Program.

12 **Q. Does a Commercial Paper Program also have similar fees like CUC's revolving**
13 **credit facility?**

14 A. Yes, both forms of short-term debt have incremental fees which comprise a portion
15 of the total interest cost.

16 **Q. Does a short-term revolving credit facility have any benefits over commercial**
17 **paper?**

18 A. Yes. Putting a revolving credit facility in place provides a company with guaranteed
19 liquidity as the credit facility is funded through relationship banks. Alternatively,
20 commercial paper is placed with outside investors and is susceptible to different
21 market risk and differences in terms of outside investors. The impacts of this can be
22 seen in pricing and availability of A2/P2 paper during COVID and in the current rate
23 environment.

1 **Q. Would commercial paper be a cheaper form of financing for CUC?**

2 A. While commercial paper is optically cheaper, it can be more expensive than CUC's
3 \$400,000,000 short-term revolving credit facility when factoring in the various
4 required components. At hearing, Commission Staff acknowledged that, as of the
5 prior filing, the difference between the Company's short-term debt rate and
6 commercial paper equated to 52 basis points.¹ Some of our relationship banks have
7 indicated a smaller program the size of CUC's credit facility will require an
8 unknown size premium, which would be no less than 0.15 percent. This size
9 premium cost could be higher if a program was actually put into place. Also, a
10 rating would be required which would add meaningful costs. Finally, commercial
11 paper requires a bank facility backstop to issue. Based on my experience this would
12 increase the unused commitment fee on the revolving credit facility to 0.15-0.20
13 percent on both tranches of the facility.

14 **Q. What borrowing costs should be included in in the 2023 fuel under-recovery**
15 **calculation to compensate FPUC for the additional costs related to borrowing**
16 **the funds needed to fund the deferral of the 2022 fuel under-recovery?**

17 A. CUC should be able to include the following borrowing costs in the fuel under-
18 recovery calculation for the \$14,127,487 being deferred in 2023 and the \$7,063,744
19 being deferred in 2024.

Blended spread from both tranches	0.825%
SOFR Adjustment (Credit Spread	0.100%

¹ Transcript Vol. 5, pg. 747 (Docket No. 20220001).

Adjustment)	
Blended commitment fee from both tranches	0.045%
Total	0.970%

1

2 As shown on Page 1 of Schedule 1 this would amount to \$137,037 in 2023 and
3 \$68,518 in 2024. Again, these are costs incurred by CUC which are above and
4 beyond the published one-month term SOFR rates and the 30-day average A2/P2
5 commercial paper rates. The Company is proposing recovery of these costs in the
6 Special Cost section of the fuel projection and true-up schedules.

7 **Q. Why should CUC be able to include these spreads and fees in the fuel under-**
8 **recovery calculation?**

9 A. Exclusion of the additional borrowing costs in the fuel under-recovery calculation
10 does not allow CUC to recover the true cost of short-term debt. Whether it is one-
11 month term SOFR or A2/P2 commercial paper, companies incur additional fees on
12 top of the published rates. CUC should have the ability to recover these additional
13 borrowing costs in the fuel under-recovery calculation. Inclusion of the 0.97%
14 allows CUC to recover such costs which are part of our \$400,000,000 revolving
15 credit facility.

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

17 A. Yes, this concludes my testimony.

Florida Public Utilities Company

**Exhibits
To Accompany
The Direct Testimony
Of**

Noah T. Russell

Borrowing Costs to be Included in Special Cost Section of the Fuel Projection and True-up Schedules

Blended spread from both tranches	0.825%
SOFR Adjustment	0.100%
Blended commitment fee from both tranches	<u>0.045%</u>
Fees in Addition to debt rate	<u><u>0.970%</u></u>

	2023	2024	2025
Deferred Amount	\$ 14,127,487	\$ 7,063,744	\$ -
Additional Debt Fees Above	0.97%	0.97%	
Annual Costs	\$ 137,036.62	\$ 68,518.31	
Monthly Costs	\$ 11,419.72	\$ 5,709.86	

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20230001-EI: FUEL AND PURCHASED POWER COST RECOVERY
CLAUSE WITH GENERATING PERFORMANCE INCENTIVE FACTOR

2023 Mid-Course Correction Testimony of P. Mark Cutshaw
On Behalf of
Florida Public Utilities Company

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

2 A. My name is P. Mark Cutshaw, 208 Wildlight Avenue, Yulee, Florida 32097.

3 **Q. By whom are you employed?**

4 A. I am employed by Florida Public Utilities Company (“FPUC” or “Company”).

5 **Q. Could you give a brief description of your background and business
6 experience?**

7 A. I graduated from Auburn University in 1982 with a B.S. in Electrical Engineering
8 and began my career with Mississippi Power Company in June 1982. I spent 9 years
9 with Mississippi Power Company and held positions of increasing responsibility that
10 involved budgeting, as well as operations and maintenance activities at various
11 Company locations. I joined FPUC in 1991 as Division Manager in our Northwest
12 Florida Division and have since worked extensively in both the Northwest Florida
13 and Northeast Florida Divisions. Since joining FPUC, my responsibilities have
14 included all aspects of budgeting, customer service, operations and maintenance in
15 both the Northeast and Northwest Florida Divisions. My responsibilities also
16 included involvement with Cost of Service Studies and Rate Design in other rate
17 proceedings before the Commission as well as other regulatory issues. During 2019
18 I moved into my current role as Director, Generation and Pipeline Development.

1 **Q. Have you previously testified before the Florida Public Service Commission**
2 **(“Commission”)?**

3 A. Yes, I’ve provided testimony in a variety of Commission proceedings, including the
4 Company’s 2014 rate case, addressed in Docket No. 20140025-EI. Most recently, I
5 provided written, pre-filed testimony in Docket No. 20190001-EI, the
6 Commission’s regular fuel cost recovery proceeding, and also provided both pre-
7 filed and live testimony the prior year, in Docket No. 20180001-EI, the
8 Commissions’ regular fuel cost recovery. I have also been involved in and filed
9 testimony in Docket No. 20191056 for the Limited Proceeding to Recover
10 Incremental Storm Restoration Costs.

11 **Q. What is the purpose of your direct testimony in this Docket?**

12 A. My direct testimony addresses the midcourse correction of the 2023 purchased
13 power factors for our FPUC electric customers. This testimony will focus on the
14 reasons why the current under recovery occurred which is primarily related to the
15 projection of natural gas cost used in determining the 2022 and 2023 purchased
16 power factors.

17 **Q. How does the cost of natural gas impact the purchased power cost for Florida**
18 **Public Utilities Company (FPUC)?**

19 A. FPUC is a non-generating utility and purchases all electricity used to provide
20 service to our customers. The vast majority of the electricity used to provide service
21 to FPUC customers is purchased from Florida Power & Light (FPL) and Eight Flags
22 Energy, LLC (Eight Flags), both of which use natural gas as the primary fuel source

1 for their generation. The agreements with FPL and Eight Flags include the actual
2 cost of natural gas purchases to determine the monthly cost of electricity purchased.
3 This cost is then passed directly through to FPUC who in turn pass this directly
4 through to FPUC customers in the form of purchased power charges.

5 **Q. Please describe when and how the initial projections for the 2022 purchased**
6 **power factors were determined?**

7 A. The projections for the 2022 initial purchased power cost factors were developed in
8 August 2021 and updated in March 2022 in preparation for the 2022 midcourse
9 correction filing which was approved and put in place in August 2022. The major
10 components of the projection are the amount of energy that is purchased and the
11 associated cost of natural gas. While we had good data to project the amount of
12 energy, the projections for natural gas were well below the market due to the
13 unforeseen changes that occurred in 2022.

14 **Q. Please describe when and how the initial projections for the 2023 purchased**
15 **power factors were determined?**

16 A. The projections for the 2023 purchased power cost factors were initially developed
17 in August 2022. Those same cost projections are being used in this midcourse
18 correction filing. While we had good data for 2023 to project the amount of energy
19 purchased and the natural gas cost, the significant under recovery from 2022 was
20 more than anticipated which created the need for this midcourse correction to be
21 required.

22 **Q. Does this include your testimony?**

1 A. Yes.