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February 19, 2024

E-PORTAL FILING

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

Re: Docket No. 20230124-GU - Petition for approval of limited variance from area extension program (AEP) tariff, by Florida Public Utilities Company.

Dear Mr. Teitzman:

Attached for filing in the referenced docket, please find Florida Public Utilities Company's Responses to Staff's Second Set of Data Requests.

Thank you for your assistance with this filing.

Kind regards,

Beth Keating

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Enclosure

Docket No. 20230124-GU - Petition for approval of limited variance from area extension program (AEP) tariff, by Florida Public Utilities Company.

Florida Public Utilities Company's Responses to Staff's Second Data Requests

1. This is a follow up question to FPUC's responses to staff's first data request Nos. 13 and 21. Please discuss how the general body of ratepayers will be protected from paying for any AEP project investment (in the next rate case) that has not been recovered through the AEP surcharge (in the case the AEP amount has not been fully recovered within the 6-year period).

Company Response:

With this response, the Company would like to correct and clarify its prior response to DR 13. With this Petition, the Company is seeking to include both behind the meter costs and costs to acquire and convert the two CSGs within the calculation of the AEP surcharge. As such, if approved, those costs would be amortized and recovered from the customers within the AEP project area. Costs would be recorded, amortized, and recovered consistent with tariff sheet 6.12, which provides for a 72-month amortization period, and not the 30 years incorrectly stated originally in DR 13. At the end of AEP amortization period, the Company fully expects that there will be no unrecovered costs in the AEP regulatory asset.

If, however, there is an under recovery at the conclusion of the AEP amortization period, the Company might ask for an extension of the amortization period or other adjustment in the event there are extenuating circumstances that justify such a request. Otherwise, in the absence of any approved extension or other adjustment, the remaining costs would be recorded below the line and would not flow through to customers in current or future rates.