



June 24, 2024

Writer's E-Mail Address: bkeating@gunster.com

**VIA E-PORTAL**

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

**Docket No. 20240084-EI: Petition for approval of special contract with Agency for Persons with Disabilities for upgrading the electric distribution facilities at the Sunland Center in Marianna, Florida, by Florida Public Utilities Company.**

Dear Mr. Teitzman:

Attached for electronic filing on behalf of Florida Public Utilities Company, please find the Company's Responses to Staff's First Data Requests.

Should you have any questions whatsoever, please do not hesitate to contact me. Thank you for your assistance in this matter.

Sincerely,

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Beth Keating  
Gunster, Yoakley & Stewart, P.A.  
215 South Monroe St., Suite 618  
Tallahassee, FL 32301  
(850) 521-1706

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Cc:// (PSC Counsel - Brownless)  
(PSC/Div. of Economics-Hudson)

**Docket No. 20240084-EI:** Petition for approval of special contract with Agency for Persons with Disabilities for upgrading the electric distribution facilities at the Sunland Center in Marianna, Florida, by Florida Public Utilities Company.

**Florida Public Utilities Company's Responses to Staff's First Set of Data Requests**

1. Please explain how FPUC would avoid any project cost over-runs and how FPUC would treat any potential project cost over-runs for accounting purposes.

**Company Response:** FPUC will be hiring outside contractors to complete the work associated with this agreement. The grant money constitutes the entire amount available for the project. As such, FPUC will be able to ensure that bids do not exceed amounts available. In the event that the bids received are in excess of available grant money, work will not proceed and the customer will be advised.

2. Referring to paragraph 8 of the petition, does FPUC expect to modify the executed Operations and Maintenance Agreement in consideration of the proposed project?

**Company Response:** No.

3. Please refer to Attachment I to the special contract, beginning on page 13. Please explain if the terms for electric service are the same as those provided in FPUC tariffs. If not, please indicate which subsections of Attachment I are a deviation from the utility's tariffs.

**Company Response:** The customer will continue to receive electric service under Rate Schedule GSLD of the tariff.

4. Referring to Attachment I to the special contract, subsection B.2, Service Tasks. The special contract states, "Construct, own, and operate an underground electric distribution system within the boundaries of Sunland Center."

a. Please clarify if the parties propose for FPUC to own the underground electric distribution system within Sunland Center, which are facilities located behind-the-meter.

**Company Response:** FPUC will own certain facilities located behind-the-meter.

b. If so, please justify and explain if the facilities will be included in rate base in the next rate proceeding.

**Company Response:** The behind-the-meter facilities will not be included in rate base in the next rate case. The costs and revenues associated with this project (including FPUC's labor, third-party contracts, and the capital assets) are recorded off the regulated books of FPUC and, therefore, the project has no effect on FPUC's ratepayers.

5. Please confirm the grant money discussed in paragraph 9 of the petition will be used to construct and upgrade the underground and overhead facilities discussed in the Enercon report.

**Company Response:** Yes, the customer is expecting to use the referenced grant money.

6. Please confirm which options and adders from the Enercon report FPUC plans to complete for the Agency.

**Company Response:** If the bid process indicates that the grant money will cover it, the current plan is to proceed with all adders, but the primary focus will be on storm hardening of the existing overhead system.

7. Referring to page 15, subsection B.3.f. of the special contract, how will FPUC account for the use of utility equipment for construction services provided to the Agency behind-the-meter?

**Company Response:** The Company anticipates that utility equipment, including vehicles, will be supplied by the hired contractors and included with the contractors' bids. As noted previously, the costs and revenues associated with this project (including FPUC's labor, third-party contracts, and the capital assets) are recorded off the regulated books of FPUC and, therefore, the project has no effect on FPUC's ratepayers.

8. Referring to page 16 of the special contract, subsection E.1.a. In the event the Agency requests an increase in maximum energy capacity, please explain if FPUC would need to complete additional construction to serve additional capacity? If so, do the parties expect to renegotiate the special contract?

**Company Response:** In the event the customer decides it would like additional upgrades to further increase capacity, the tariffed Contribution in Aid of Construction process would apply to any further work to be done by FPUC beyond what is contemplated in the contract.

9. Page 18 of the special contract specifies it is a fixed price (lump sum) contract. Please explain how the general body of rate payers will be held harmless during the project and prior to payment.

**Company Response:** Any costs accrued by FPUC would be held in a separate account to be directly offset by the customer's funds. As noted previously, the costs and revenues associated with this project (including FPUC's labor, third-party contracts, and the capital assets) are recorded off the regulated books of FPUC and, therefore, the project has no effect on FPUC's ratepayers.

10. Please explain how FPUC will treat the lump sum payment associated with the special contract for accounting purposes.

**Company Response:** FPUC is set to bill the customer on a monthly basis as invoices are received by the 3<sup>rd</sup> party contractors for work performed. To be clear, there is a lump sum committed for the project, but it will be paid based upon monthly invoices.

11. Page 20 of the special contract lists Exhibits A-D, however only Exhibit A is included. Please confirm that the Agency would continue to receive primary service as a General Service Large Demand customer, to be charged the currently-effective base rates and surcharges and any future revisions applicable. If not, please explain.

**Company Response:** Yes, the customer will remain on the General Service Large Demand rate at the currently effective base rates and surcharges and any future approved revision would apply.

12. In the event the Agency imposes financial consequences, as discussed on page 22 of the special contract, how would FPUC ensure the general body of ratepayers are held harmless? Please explain.

**Company Response:** As noted previously, the costs and revenues associated with this project (including FPUC's labor, third-party contracts, and the capital assets) are recorded off the regulated books of FPUC and, therefore, the project has no effect on FPUC's ratepayers. As such, any penalty would be addressed below-the-line.

13. Page 27 of the special contract, Exhibit B to Attachment II, does not appear to be filled out. Please clarify if this Exhibit would be filled out once signed or if it is not applicable to the special contract.

**Company Response:** This section of the contract will be completed prior to execution.

14. Please provide the amount paid to Enercon Services Inc. for its services.

**Company Response:** \$16,700.00.

15. Please provide an estimated percent breakdown between in-house and third-party labor to be used to complete the proposed project.

**Company Response:** At present, FPUC estimates approximately 10% would be FPUC Labor associated with the contract. This will be mainly time related to project oversight and material ordering.

- a. What type of activities does FPUC expect to subcontract out to third-parties for the proposed project?

**Company Response:** All major engineering and construction is expected to be completed by third party contractors.

16. Please clarify how FPUC would treat the costs associated with installing open switches and a new meter, as described in Adder 5 on page 6 of Attachment B to the petition for accounting purposes.

**Company Response:** A clear line of demarcation will be provided. FPUC-owned assets will be fully paid for by the customer but will be owned by FPUC and, if located in front of the meter, will be included in our regulated rate base. As noted previously, the costs and revenues associated with this behind-the-meter project (including FPUC's labor, third-party contracts, and the capital assets) are recorded off the regulated books of FPUC and, therefore, the project has no effect on FPUC's ratepayers.