

July 31, 2024

BY E-PORTAL

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

Re: Docket No. 20240010-EI: Storm protection plan cost recovery clause.

Dear Mr. Teitzman:

Attached for filing, please find Florida Public Utilities Company's Prehearing Statement.

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:/(Service List)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Storm Protection Plan Cost Recovery Clause	DOCKET NO. 20240010-EI DATED: July 31, 2024
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**FLORIDA PUBLIC UTILITIES COMPANY'S
PREHEARING STATEMENT**

In accordance with the Order Establishing Procedure for this Docket, Order No. PSC-2024-0031-PCO-EI, issued February 6, 2024, as amended by Order No. PSC-2024-0110-PCO-EI, issued April 19, 2024, and Order No. PSC-2024-0216-PCO-EI, issued June 20, 2024, Florida Public Utilities Company (“FPUC,” or “Company”) hereby files its Prehearing Statement.

A. APPEARANCES

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

B. WITNESSES AND EXHIBITS

i. All Known Witnesses

<u>Witness - Direct</u>	<u>Subject</u>	<u>Issue</u>
Phuong T. Nguyen (adopted by Michelle Napier)	2023 Final True Up	1C
Mark Cutshaw	SPP work performed in May – December 2023 Final True Up Period	1C
Michelle Napier	2024 Estimated and 2025 Projection; Calculation of Factors	2C-9C
Mark Cutshaw	SPP work to be performed in projection period	2C-3C

ii. All Known Exhibits

<u>Witness</u>	<u>Exhibit</u>	<u>Title</u>	<u>Issue</u>
Napier	PTN-1 ¹	SPPCRC Schedules 1A-9A ²	1C
Napier	MDN-2	SPPCRC Schedules E and P	2C-9C

C. STATEMENT OF BASIC POSITION

FPUC's Statement of Basic Position

FPUC: The factors proposed by the Company have been developed through projections and calculations made in accordance with Rule 25-6.031, F.A.C., and the associated depreciation expense has been calculated in accordance with the rates approved in the Company's last approved depreciation study. The factors are based upon actual, prudently incurred costs associated with the implementation of those aspects of FPUC's Storm Protection Plan ("SPP") approved by Order No. PSC-2022-0387-FOF-EI, issued November 10, 2022, as well as reasonable estimates of costs to be incurred in the remainder of 2024 and in 2025. In addition, the Company has applied an allocation methodology consistent with the stipulation between FPUC and Walmart approved by Order No. PSC-2022-0418-FOF-EI, issued in last year's SPPCRC proceeding. As such, the Company asks that it be allowed to implement its proposed SPPCRC Factors for the January – December, 2025 period.

D. FPUC's POSITION ON THE ISSUES

**For Issues 1A, 1B, and 1D through 9A, 9B, and 9D, FPUC takes the following position:*

FPUC: No position.

¹ Direct Exhibit PTN-1 of Phuong Nguyen adopted by Witness Napier, substituting for Ms. Nguyen consistent with Notice filed June 20, 2024.

² Schedule 8A jointly sponsored by Witness Cutshaw.

ISSUE 1C: What amounts should the Commission approve as FPUC's final 2023 prudently incurred costs and final jurisdictional revenue requirement true-up amount for the Storm Protection Plan Cost Recovery Clause?

FPUC: The final, end of period true up amount to be included in the calculation of the 2023 cost recovery factors is an under-recovery of \$388,983, which reflects the difference between the actual, end of period revenue requirement of \$246,889 based on actual expenditures, and the projected 2023 over-recovery of \$142,094. (Napier, Cutshaw)

ISSUE 2C: What amounts should the Commission approve as the FPUC's reasonably estimated 2024 costs and estimated jurisdictional revenue requirement true-up amount for the Storm Protection Plan Cost Recovery Clause?

FPUC: FPUC projects an end of period 2024 under-recovery of \$1,120,304, based on a revised 2024 revenue requirement of \$3,481,578, which is net of \$975,504 already recovered through base rates. (Napier)

ISSUE 3C: What amounts should the Commission approve as FPUC's reasonably projected 2025 costs and projected jurisdictional revenue requirement amount for the Storm Protection Plan Cost Recovery Clause?

FPUC: FPUC projects total expenditures of \$20.44 million, with a revenue requirement of \$4,153,106, which is net of \$975,504 already recovered through base rates. (Cutshaw, Napier)

ISSUE 4C: What are the Storm Protection Plan Cost Recovery Clause total jurisdictional revenue requirements, including true-ups, to be included in the Storm Protection Plan Cost Recovery factors for 2025 for FPUC?

FPUC: The total amount upon which FPUC's proposed factors are calculated is \$5,667,195, which is adjusted for taxes. (Napier)

ISSUE 5C: What depreciation rates should be used to develop the depreciation expense included in the total 2025 Storm Protection Plan Cost Recovery Clause amounts for FPUC?

FPUC: The appropriate depreciation rates are those approved in, Order No. PSC-2023-0384-PAA-EI, issued December 21, 2023, in Docket No. 20230079-EI. (Napier)

ISSUE 6C: What are the appropriate jurisdictional separation factors for 2025 for FPUC?

FPUC: There is no jurisdictional separation applicable to FPUC.

ISSUE 7C: What are the appropriate Storm Protection Plan Cost Recovery Clause factors for 2025 for each rate class for FPUC?

FPUC:

Rate Schedule	SPP FACTORS PER KWH
Residential	\$0.00997
General Service	\$0.01100
General Service Demand	\$0.00594
General Service Large Demand	\$0.00508
Industrial/Standby	\$0.01402

Lighting Service	\$0.06177
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(Napier)

ISSUE 8C: What should be the effective date of the new Storm Protection Plan Cost Recovery Clause factors for billing purposes for FPUC?

FPUC: The effective date for FPUC's cost recovery factors should be the first billing cycle for January 1, 2025, which could include some consumption from the prior month. Thereafter, customers should be billed the approved factors for a full 12 months, unless the factors are otherwise modified by the Commission. (Napier)

ISSUE 9C: Should the Commission approve revised tariffs reflecting the new Storm Protection Plan Cost Recovery Clause factors determined to be appropriate in this proceeding for FPUC?

FPUC: Yes. The Commission should approve revised tariffs reflecting the SPPCRC factors determined to be appropriate in this proceeding. The Commission should direct staff to verify that the revised tariffs are consistent with the Commission's decision. (Napier)

ISSUE 10: Should this docket be closed?

FPUC: This is a continuing docket and should remain open.

VI. OTHER

e. Stipulated Issues

While not a party to stipulations at this time, FPUC believes that it should be possible to reach a stipulation on each of the issues as they pertain to FPUC.

f. Pending Motions

FPUC has no pending motions at this time.

g. Pending Confidentiality Claims or Requests

FPUC has no pending motions at this time.

h. Objections to Witness Qualifications as an Expert

FPUC has no objections to any witnesses' qualifications at this time.

i. Request for Sequestration of Witnesses

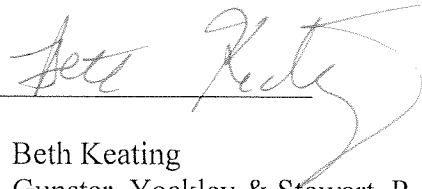
FPUC has no pending request.

j. Compliance with Order No. PSC-2024-0032-PCO-EI, Order No. PSC-2024-0110-PCO-EI, and Order No. PSC-2024-0216-PCO-EI

FPUC has complied with all requirements of the Order Establishing Procedure entered in this docket, as well as the subsequent orders issued modifying that Order.

RESPECTFULLY SUBMITTED this 31st day of July, 2024.

BY: _____



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Attorneys for Florida Public Utilities Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by Electronic Mail to the following parties of record this 31st day of July, 2023:

<p>Daniel Dose Shaw Stiller Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850 Ddose@psc.state.fl.us sstiller@psc.state.fl.us</p>	<p>J. Jeffrey Wahlen/Malcolm Means/Virginia Ponder Ausley Law Firm Post Office Box 391 Tallahassee, FL 32302 jwahlen@ausley.com mmeans@ausley.com yponder@ausley.com</p>
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