

October 31, 2024

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BY E-FILING


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

Re: Docket No. 20240099-EI - Petition for rate increase 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 Seventh Set of Data Requests. Certain confidential attachments are provided in redacted form only. Confidential versions will be submitted with a request for confidential classification under separate cover.

Sincerely,


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

Cc: (Service List)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida Public Utilities Company. | DOCKET NO. 20240099-EI

FPUC'S RESPONSES TO STAFF'S SEVENTH SET OF DATA REQUESTS

1. Please refer to Florida Public Utilities Company (Company or FPUC) Minimum Filing Requirements (MFR), Schedule B3-a, page 3 of 3, "Florida Common (2025)," for the following request. Please explain, with specificity, how the "Allocations Percentages" (i.e., "14.70%," "16.91%," "28.00%," "17.57%," and "19.52%") shown on this Schedule were developed. Please also provide the calculations showing all steps.

Company Response:

Please refer to the Confidential DR 7.1 file attached for the calculations of the percentages shown above.

2. Please refer to MFR Schedule B-9 (2025), page 9 of 12 for the following request. During its review of the Company’s depreciation expense-related data contained in the MFRs, staff observes a number of significant differences between FPUC’s proposed depreciation expense and its estimated expense for certain accounts.¹ The specific accounts are as follows: Account 303.2 – Intangible Plant CIS, Account 350.2 – Rights of Way, Account 352E – Structures & Improvements, Account 353E – Station Equipment, Account 354E – Towers & Fixtures, Account 355C – Poles & Fixtures - Concrete, Account 355S – Poles & Fixtures SPP, and Account 365S – Overhead Conductors & Devices. Please explain the difference in the Company proposed and staff estimated depreciation expense for each account listed in the table below:

Account No.	Account Title	Dep. Rate ² (%)	P.I.S. 13-Month Average (\$)	Total Depreciation Accrued (\$)	Staff Estimated Expense (\$)	Difference (\$)
303.2	Intangible Plant CIS	5.00	6,766,016	251,282	338,301	(87,019)
350.2	Rights of Way	1.30	17,629	19	229	(210)
352E	Structures & Improvements	1.40	1,950,167	2,501	27,302	(24,801)
353E	Station Equipment	1.90	11,927,779	51,773	226,628	(174,855)
354E	Towers & Fixtures	1.00	224,802	107,831	2,248	105,583
355C	Poles & Fixtures - Concrete	2.00	3,904,731	10,629	78,095	(67,465)
355S	Poles & Fixtures - SPP	2.00	2,121,968	61,197	42,439	18,758
365S	Overhead Conductors & Devices	2.10	11,324,543	163,478	237,815	(74,337)

¹Staff estimated the account-level depreciation expense by multiplying the 13-month average plant in service balance by the associated approved depreciation rate.

²Order No. PSC-2023-0384-PAA-EI, issued December 21, 2023, in Docket No. 20230079-EI, *In re: Petition for approval of 2023 depreciation study by Florida Public Utilities Company.*

Company Response:

Our calculation of depreciation expense for these accounts contained formula errors and

the SPP poles were calculated using the wood rate and not the concrete rate. However, any balances, correct or incorrect, for the SPP plant have been removed in their entirety in MFR B-2 (2025), B-1 (2025), C-3 (2025) and C-1 (2025). Therefore, the differences have no effect on this filing. The attached file DR 7.2 provides the calculation of depreciation expense with the corrected formulas and the change to accumulated depreciation. Items changed were highlighted in yellow. The effect on the MFRs is also provided in the attached file. The revenue requirement using the Supplemental A filing is understated by \$226,986 due to this error.

3. Please refer to MFR Schedule B-7 (2025), page 10 of 12, line 8 for the following request.

Please explain why Account 391.4 – System Software has a negative plant balance of (\$35,527).

Company Response:

Some asset adjustments were inadvertently loaded into the Power Plan system with the wrong vintage which caused amortized accounts to not auto retire at the same time as the assets. The Company is in the process of correcting the issue. Once corrected, this should no longer be an issue.

4. Please refer to MFR Schedule B-9 (2025), page 10 of 12, line 41 for the following request. Please explain why Account 391.4 – System Software has a negative reserve balance of (\$88,131) and a negative accrual of (\$3,553).

Company Response:

Please refer to the response to Staff's Data Request 7 number 3.

5. Please refer to MFR Schedule B-9 (2025), page 10 of 12, lines 55 and 56 for the following request. For accounts 392.2 and 392.3, the reserve activity indicates retirements of (\$234,000), and (\$26,000), respectively. Please explain why there is no net salvage associated with the retirement of these transportation equipment-related investments.

Company Response:

Due to materiality, the Company does not budget salvage for vehicles. To provide the salvage effect to staff, we estimated using the depreciation study salvage rates. Since the depreciation study did not have any salvage rate for heavy trucks, we conservatively used the 7.16% salvage rate from the 2023 depreciation study for light trucks for both the retirement estimate for light and heavy duty trucks for both 2024 and 2025, the revenue requirement is overstated by \$3,239.

6. Please refer to MFR Schedule B-7 (2025), page 10 of 12, lines 6-7, 9, and 11, and MFR Schedule B-9 (2025), page 10 of 12, lines 39-40, 42, and 44 for the following request. Please explain why accounts 391.2, 391.3, 393.0, and 395.0 all have reserve balances with no associated plant in service balances.

Company Response:

On Schedule B-9 (2025), the titles for account 3911 and 3912 are reversed. The accumulated depreciation on line 39 actually relates to the \$4,171 plant balance on B-7 (2025) and the difference in 3912 is discussed in the response to Staff Data Request 7, number 8. The reason for the discrepancy between plant and accumulated depreciation for accounts 391.1, 391.3, 393 and 395 all relate to the problem discussed in the response to

Staff's Data Request 7, number 3.

7. Please refer to MFR Schedule B-9 (2025), page 10 of 12, lines 39 and 40 for the following request. Please explain why Account 391.2 – Computer Hardware, and Account 391.3 – Furniture & Fixtures, have negative reserve balances of (\$50) and (\$143), respectively.

Company Response:

Please refer to the response to Staff's Data Request 7 number 6.

8. Please refer to MFR Schedule B-7 (2025), page 10 of 12, line 5, and MFR Schedule B-9 (2025), page 10 of 12, un-numbered line (account 391.1) the following request. Please explain why Account 391.1 – Computer and Peripheral, which is amortized (5 year), has a plant balance of \$4,171 with a nearly double corresponding reserve balance of \$8,135.³

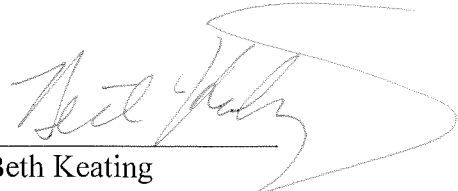
Company Response:

The account numbers on B-9 (2025) were reversed. Line 39 is account 3911 with an ending balance of \$784 and the un-numbered line is account 3912 with a balance of \$8,135. The plant balance for account 3912 is zero and the reason for the difference is the same reason provided in the response to Staff's Data Request 7 number 3.

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 October, 2024:

<p>Suzanne Brownless Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850 sbrownle@psc.state.fl.us discovery-gcl@psc.state.fl.us</p>	<p>Walt Trierweiler/P. Christensen / Charles Rehwinkel/Mary Wessling/Octavio Ponce/Austin Watrous Office of Public Counsel c/o The Florida Legislature 111 W. Madison Street, Room 812 Tallahassee, FL 32399-1400 Trierweiler.Walt@leg.state.fl.us Wessling.Mary@leg.state.fl.us Rehwinkel.Charles@leg.state.fl.us Christensen.patty@leg.state.fl.us Ponce.octavio@leg.state.fl.us Watrous.austin@leg.state.fl.us</p>
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