

November 21, 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 Thirteenth Set of Data Requests. Attachments referenced in the responses are Excel files and not attached to the filed document. They will be provided to staff and parties via email.

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 THIRTEENTH SET OF DATA REQUESTS

Trend Factor Issue (Issue 4)

1. Please refer to the direct testimony of witness Michelle Napier, page 20, lines 4-19.

Please provide a definition of the CPI used by the utility to determine its (non-payroll) inflation trend factor. Address in your response what inputs are incorporated to arrive at average CPI.

Company Response:

Historical CPI is based on a U.S. city average of all urban consumers which is not seasonally adjusted. The Company used the December 31, 2023 Bloomberg Weighted Average CPI Forecast to calculate average CPI for 2024 and 2025. These forecasts are derived from the latest monthly and quarterly surveys conducted by Bloomberg and from forecasts submitted by various banks. By using the Bloomberg Weighted Average, the Company is incorporating more than 40 different economist's expectations to calculate average CPI. No other sources of forecasted average CPI were considered as alternatives. The Company believes the average of multiple economists' expectations appropriately incorporates various expectations into the CPI forecast used for 2024 and 2025.

2. Please refer to the direct testimony of witness Michelle Napier, page 20, lines 4-19.

Please identify what date(s) and source(s) of CPI was(were) used to develop the 2024 and 2025 values shown on MFR Schedule C-33, Performance Indices.

Company Response:

Please refer to the response to number 1 and the attached file DR 13.2 CPI data. For the forecast periods, the Bloomberg Weighted Average CPI Forecast was used.

3. Using the source specified in the response to question 2 on the previous page, provide the most recent forecast of average CPI for 2024 and 2025 and the date of the data source relied upon to calculate it.

Company Response:

Please refer to the response to 1 and 2. Please refer to the attached file “DR 13.3 Updated CPI data” for the most recent CPI forecast. This reflects actual CPI data through October 2024 and forecasted data for November 2024 – December 2025. The Company used the September 30, 2024 Bloomberg Weighted Average CPI Forecast to generate the updated amounts for this request.

The updated amounts reflected in DR 13.3 are not materially different from what was used in the rate case filing.

4. Please refer to the direct testimony of witness Michelle Napier, page 20, lines 15-16.
 - a) Please describe how FPUC determined that the proposed inflation trend factor, based on average CPI, is the “most appropriate” trend factor to use in this proceeding.
 - b) Discuss whether FPUC considered other sources for an inflation trend factor, including, but not limited to, the PCE (Personal Consumption Expenditures Price Index). Address in your response how the utility evaluated the reasonableness of the average CPI it used against other sources.

Company Response:

- a. **Average CPI is the trend factor that was used and approved in FPUC’s last electric rate case, as well as the Company’s 2022 Florida natural gas rate case. We reviewed these factors based on the actual account data and found the type of factors used historically to be reflective of past changes. Moreover, it was consistent with our last electric filing and gas rate case, which promotes consistency across all of our Florida regulated operations. Anything that would change the trended data, either up or down outside of these trends, was reflected in the over/under adjustments in MFR C-7 (2024, 2025) page 7 and 8. As discussed below in part b, CPI and PCE would produce a similar result based on the September 30, 2024 forecasts.**
- b. **As discussed in response to No. 1 herein, no other sources of forecasted average CPI were considered as alternatives. However, as demonstrated in the attached file “DR 13.4 CPI vs PCE” both CPI and PCE would produce a similar trend factor for this proceeding.**

Furthermore, the 2025 2.31 percent increase used in this proceeding is in line with

Federal Reserve Chair Jerome Powell's targeted rate for inflation.

Miscellaneous Service Revenue (Issue 27)

5. Please refer to MFR Schedule E-13b (for the Projected Test Year ended 12/31/25), to answer the following questions:
- a) MFR Schedule E-13b (Page 1 of 1) for the Projected Test Year Ended 12/31/2025 reflects that the utility is projecting 289 service charge transactions for Type 1 service charges (Initial Establishment of Service). Please state the number of transactions that were recorded for this metric in each of the years between 2020 – 2023 (actuals), and the number estimated for 2024.
 - b) MFR Schedule E-13b (Page 1 of 1) for the Projected Test Year Ended 12/31/2025 reflects that the utility is projecting 3,619 service charge transactions for Type 2 service charges (Re-established Service or Make Changes to Existing Account). Please state the number of transactions that were recorded for this metric in each of the years between 2020 – 2023 (actuals), and the number estimated for 2024.
 - c) MFR Schedule E-13b (Page 1 of 1) for the Projected Test Year Ended 12/31/2025 reflects that the utility is projecting 304 service charge transactions for Type 3 service charges (Temporary Disconnect then Reconnect Service Due To Customer Request). Please state the number of transactions that were recorded for this metric in each of the years between 2020 – 2023 (actuals), and the number estimated for 2024.
 - d) MFR Schedule E-13b (Page 1 of 1) for the Projected Test Year Ended 12/31/2025 reflects that the utility is projecting 245 service charge transactions for Type 4 service charges (Reconnect after Disconnect for Rule Violation in normal hours).

Please state the number of transactions that were recorded for this metric in each of the years between 2020 – 2023 (actuals), and the number estimated for 2024.

- e) MFR Schedule E-13b (Page 1 of 1) for the Projected Test Year Ended 12/31/2025 reflects that the utility is projecting 6 service charge transactions for Type 5 service charges (Reconnect after Disconnect for Rule Violation after hours). Please state the number of transactions that were recorded for this metric in each of the years between 2020 – 2023 (actuals), and the number estimated for 2024.
- f) MFR Schedule E-13b (Page 1 of 1) for the Projected Test Year Ended 12/31/2025 reflects that the utility is projecting 1,973 service charge transactions for Type 6 service charges (Collection Charge). Please state the number of transactions that were recorded for this metric in each of the years between 2020 – 2023 (actuals), and the number estimated for 2024.
- g) MFR Schedule E-13b (Page 1 of 1) for the Projected Test Year Ended 12/31/2025 reflects that the utility is projecting 0 service charge transactions for Type 7 service charges (Temporary Service). Please state the number of transactions that were recorded for this metric in each of the years between 2020 – 2023 (actuals), and the number estimated for 2024.
- h) MFR Schedule E-13b (Page 1 of 1) for the Projected Test Year Ended 12/31/2025 reflects that the utility is projecting 1,179 service charge transactions for Type 8 service charges (Returned Check Charge). Please state the number of transactions that were recorded for this metric in each of the years between 2020 – 2023 (actuals), and the number estimated for 2024.
- i) MFR Schedule E-13b (Page 1 of 1) for the Projected Test Year Ended 12/31/2025

reflects that the utility is projecting 1,437 service charge transactions for Type 9 service charges (Miscellaneous Allowance and Adjustments). Please state the number of transactions that were recorded for this metric in each of the years between 2020 – 2023 (actuals), and the number estimated for 2024.

Company Response:

- a. Please refer to the attached file “DR 13.5 2020-2024 Misc Service fees”.
- b. Please refer to the file referenced in 5a above.
- c. Please refer to the file referenced in 5a above.
- d. Please refer to the file referenced in 5a above.
- e. Please refer to the file referenced in 5a above.
- f. Please refer to the file referenced in 5a above.
- g. Please refer to the file referenced in 5a above.
- h. Please refer to the file referenced in 5a above.
- i. Please refer to the file referenced in 5a above.
- j. Please refer to the file referenced in 5a above.

6. Please refer to MFR Schedule C-5 for the Prior Year Ended 12/21/24 (Line 19), which reflects that the Jurisdictional Miscellaneous Service Revenue for that period was \$162,665. Please demonstrate the calculation of this amount.

Company Response:

Please refer to the attached file DR 13.6 2024 Estimated Revenue.

7. Please refer to MFR Schedule C-5 for the Historical Prior Year Ended 12/21/23 (Line 19), which reflects that the Jurisdictional Miscellaneous Service Revenue for that period was \$213,028. Please demonstrate the calculation of this amount.

Company Response:

Please refer to the attached file DR 13.7 2023 Misc Revenue.

Conservation Clause Removal (Issue 31)

8. Please refer to MFR Schedule C-2 (for the Projected Test Year ended 12/31/25), and explain how FPUC determined the Conservation Revenue adjustment of (\$883,887) presented in Column 2.

Company Response:

To forecast the revenue for the conservation clause, the forecast billing determinants of number of customers and kilowatt hours were multiplied by the 2024 approved conservation rate. The regulatory assessment fee amount was calculated on the forecast revenue. The difference between the revenue and the regulatory assessment fee of \$883,887 was projected to be the conservation expenses plus either the under or over-recovery true up amount. On MFR C-7 (2025) accounts 906-910 are specifically conservation related. Therefore, these expenses were adjusted in the forecast to equal \$883,138 and Taxes Other Than Income Tax was adjusted by \$749 in order to project a zero effect on base rates which is the goal of the clause. The Company further notes that, on a historical basis, the Company segregates conservation revenue and expenses from base revenue and expenses by recording these costs in separate accounts. As in the conservation clause docket, if the costs and expenses are not the same, the over or under amount is recorded as an over or under-recovery. Therefore, the conservation clause has a zero effect on base rate calculations.

9. Please refer MFR Schedule C-2 (for the Projected Test Year ended 12/31/25), and describe the “Other” Operating Expense of (\$883,138) presented in Column 2. Include in your response how FPUC determined the adjustment amount (\$883,138).


Company Response:

Please refer to the response to question number 8.

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 21st day of November, 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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By: 
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