

December 14, 2024

Craig Brown
2960 Appalachee Trail
Jackson County, FL 32446

Florida Public Service Commission
Office of Commission Clerk
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

REDACTED

RECEIVED-FPSC
2024 DEC 16 PM 3:16
COMMISSION
CLERK

Subject: Docket number **20240099-EI** comments for January 8, 2025 Public Service Commission hearing

Dear Commission Clerk:

I apologize for not being able to provide these comments in person at the hearing due to scheduling conflicts. Please include these comments in the correspondence side of the docket file and consider the issues represented in deciding on the proposed 44% rate increase for Northwest Florida:

Florida Public Utilities Company (FPUC) does a good job providing power to rural Jackson County; however, the 44% increase for base energy proposed by parent company Chesapeake Utilities Corporation is extremely high. The 7% interim base energy rate increase just approved and implemented in the November 2024 bill of .03419 per KWH is already higher than Tallahassee, Florida's charge per KWH.

Chesapeake Utilities Corporation mailed a notice on 11/14/2024 to their North Florida customers and provided an insert in the 11/13/2024 bill that **grossly understated** the current charge for KWH of power and the interim charge that began to be billed in November. Chesapeake stated the current residential charge per KWH of power to be .02373 when it is **actually higher at .02949**. The interim charge on the mail outs and inserts is stated to be .02548 when it is **actually billed at .03124**. Please see enclosure 1.

The Chesapeake Utilities Corporation insert in the 11/13/2024 Florida Public Utilities Company bill explains the storm charge for Hurricane Michael would expire when the interim rate increase takes effect, yet customers are **still being billed for storm charge** at a rate of .01280 per KWH. Please see enclosure 2.

Chesapeake Utilities Corporation had an **8.1% gross margin increase in 2023 over 2022 – the largest annual increase in the company's history**. It does not seem appropriate for Chesapeake to petition the Florida Public Service Commission to increase the **return on equity to 11.3%** in order to grow the company and provide a large return to their investors.

On October 28, 2009, Florida Public Utilities Company was acquired by Chesapeake Utilities Corporation knowing the acquired company used an IBM AS400 system that was out-of-date technology at the time. The acquisition was done as part of Chesapeake Utilities Corporation's plan to double in size by 2019

and then double in size again by the end of 2023. The IBM AS400 predates the internet, but has the advantage of being very difficult to “hack” from outside the company and does not require the level of cyber security modern web-based systems need. To ask for a rate increase to purchase a new computer system after using that very system during large corporate expansion is odd timing. Chesapeake Utilities Corporation could just as easily move computer processing to more modern equipment in Delaware and enjoy economies of scale while retiring old technology instead of asking for a **permanent rate hike to fund a one-time capital expenditure** for a new system.

If Chesapeake Utilities Corporation actually needs a 44% rate increase to survive, it should consider reducing expenditures such as 3.5% merit increases, paying \$2.6M per year in CEO compensation, and other expenses outlined in supporting documentation provided to the Public Service Commission.

We all want Florida Public Utilities Company to succeed and continue to provide power, but there are indicators in the Chesapeake Utilities Corporation’s petition supporting documentation that a 44% increase will be used to make our local utility a profit center for a Delaware based corporation. In rural Jackson County we need affordable, dependable power. We don’t need a smart phone application that shows electric power usage up to the minute and we don’t need to become a “cash cow” to provide Chesapeake Utilities Corporation’s investors a higher return than they are already experiencing.

Please consider these issues and come up with a reasonable and fair increase for Florida Public Utilities Company/ Chesapeake Utilities Corporation that is spread over time instead of granting such a large increase that the parent company’s current corporate financial condition does not seem to support.

I am available to help in any way or provide additional information.

Sincerely,



C. A. Brown

Encl: Chesapeake Utilities Corporation mailed notice 11/14/2024
11/13/2024 FPUC electric bill

ENCLOSURE 1

11/13/2024 BILL
INSERT

Notice of Interim Rate Increase

On August 22, 2024, Florida Public Utilities Company ("FPUC" or "Company") filed a Petition with the Florida Public Service Commission ("Commission") seeking approval to increase rates and charges to produce an additional \$12,593,450 in revenues. The proposed increase, if approved, would increase the total bill in January 2025 for an average 1,000 kWh/month customer by up to \$17.91/month or 10.66% over the current average bill. The Company has taken steps in other areas that may reduce other charges on customers' bills, which will potentially lessen or partially offset the impact of any approved base rate increase. The Company is also requesting interim rate relief to temporarily increase its revenues by \$1,812,869, pending the Commission's decision on the Company's request for a permanent increase. (WHICH IS A 44% INCREASE)

The Florida Public Service Commission Docket number assigned to this request is Docket No. 20240099-EI.

Filings in the case are accessible at:

<https://www.psc.state.fl.us/clerks-office-dockets-level2?DocketNo=20240099> . Information regarding the Company's request is also available at <https://fpuc.com/electricrates/> or by calling the Company at 1-800-427-7712. You may also obtain information by calling the Florida Public Service Commission at 1-800-342-3552.

On October 1, 2024, the Commission approved the portion of the Company's request pertaining to interim rates, which become effective thirty days from the Commission's vote. These rates provide temporary relief for the Company while the Commission processes the Company's request for permanent relief.

Effective with this billing cycle, customers in all rate classes will see increases in their customer, energy, and demand charges as follows:

	<u>Present Rates</u>	<u>Interim Rates</u>
	-----	Customer Charge(s) -----
Residential (RS)	\$16.95	\$18.20
General Service (GS)	\$27.85	\$29.91
General Service Demand (GSD)	\$82.35	\$88.44
General Service Large Demand (GSLD)	\$157.42	\$169.06
General Service Large Demand (GSLD1)	\$974.80	\$1,046.86
Standby (SB)	\$974.80	\$1,046.86

ACTUAL RESIDENTIAL:

.02949

.03124 ←

7.37% RATE INCREASE

← 7.37% RATE INCREASE

* Residential (RS)	\$.02373	\$.02548
General Service (GS)	\$.03887	\$.04174
General Service Demand (GSD)	\$.02903	\$.03118
General Service Large Demand (GSLD)	\$.00547	\$.00587
General Service Large Demand (GSLD1)	\$.00254	\$.00273
Standby (SB) <500 kw	\$.00000	\$.00000
Standby (SB) ≥500 kw	\$.00000	\$.00000

Energy Charge \$/kwh ---
 ≤1,000 Δ .001750
 >1,000 --

Residential (RS)	\$ 0.00	\$ 0.00
General Service (GS)	\$ 0.00	\$ 0.00
General Service Demand (GSD)	\$ 4.49	\$ 4.82
General Service Large Demand (GSLD)	\$ 6.42	\$ 6.89
General Service Large Demand (GSLD1)	\$ 1.82	\$ 1.95
General Service Large Demand (GSLD1)	\$ 0.44 KVAR	\$ 0.47 KVAR
Standby (SB)	\$.79	\$ 0.85
Outdoor/Street Lighting	various	various

ENCLOSURE 2



Account #: [REDACTED]

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Service Period: 10/11-11/08

Billing Date: 11/13/2024

Route: FE08MA45

Service Location:

Florida Public Utilities
P.O. Box 610
Marianna, FL 32447-0610
Customer Care: 1-800-427-7712
Blountstown/Bristol: (850) 674-4748
www.fpuc.com
711 for TTY / Relay Service

[REDACTED]
MARIANNA FL 32446

Previous Account Balance	Less Payments	Past Due Or Credit Balance	Current Charges	Current Charges Due On	Total NOW Due
\$108.84	\$108.84CR	\$0.00	\$77.49	12/03/2024	\$77.49

* A Late Payment Fee will apply if amount due is greater than \$5.00 and is not paid by due date.

* Past due balances are due immediately and subject to previous disconnect dates.

* The APR for installment contracts is 18%.

Meter Information - meter # 600425M

Current Account Activity

Current Reading		0026696
Previous Reading	-	0026334
KWH Used	=	362
Multiplying Factor	X	1
Total KWH Used	=	362.00
KW Used		0.00

Billing For Schedule - Residential (RS)	
Electric Service Amount**	71.27
Franchise Fee	4.28
Gross Receipt Tax	1.94
TOTAL CURRENT ELECTRIC CHARGES	77.49
Total Current Charges	\$77.49

Energy Usage Last Year This Year

KWH This Month	192	362
KWH/Day	5	12
Service Days	38	29

Amount Includes the following charges

Customer Charge		18.20
Base Energy per Kwh	0.02949	0.03124
PPA per KWH	LAST MONTH	0.10259
Storm Charge per KWH	SITING STAY	0.01280

*FPUC WENT PAST INTERIM RATE!
 PAID 11/21/24 ✓ # [REDACTED]
 TO FPUC
 P.O. BOX 825925
 PHILADELPHIA, PA 19182
 NEW RATE IN NOV? ON BILL INSERT.
 FIRST WITH
 LAST BILL BEFORE 7-10% RATE INCREASE
 KWHT WILL GO TO [REDACTED] NOW. 1ST

Notice of interim rate increase enclosed. New rates take effect this billing cycle.