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**FPUC's Response to OPC's Fourth
Interrogatories, Nos. 149-157**

INTERROGATORIES

149. Incentive Compensation. Please refer to the Rebuttal Testimony of Company witness Galtman and the table below. On page 5 of his rebuttal, Mr. Galtman states that only 6.4% of the employees who participate in the Company's incentive compensation plan have Corporate EPS and Consolidated ROE targets which collectively meet or exceed 50% of the overall payout.

Target Bonus Opportunity %	Individual Performance	Corporate EPS	Consolidated ROE	Non-Financials (i.e., Safety)
20%	25%	30%	25%	20%
15%	30%	25%	25%	20%
12%	30%	20%	30%	20%
10%	40%	10%	30%	20%
7.50% - 8.50%	50%	10%	20%	20%
6%	50%	10%	20%	20%
Source: 2021 Incentive Performance Plan				

- For each Target Bonus Opportunity percentage shown in the above table, please state the number and percentage of the employees who meet the related Corporate EPS and Consolidated ROE target percentages.
- Please show the dollar amount of incentive compensation that is being requested in the rate case broken out by system/division (e.g., FPUC (FN), Chesapeake Utilities (CF), Indiantown (FI) and Fort Meade (FT)).
- Please show the amount of incentive compensation recorded per books for calendar year 2021 and through August 31, 2022 broken out by system/division (e.g., FN, CF, FI and FT).
- Please show the amount of projected incentive compensation by account and by system/division (e.g., FN, CF, FI and FT) for the 2023 test year.

Interrogatory No. 149,
cont.

Company Response:

- a. The table below relates to the count and percent of participants relates to the total Company and does not break down who is allocated to FPUC. The percentages correlate generally to the amounts charged to FPUC.

IPP % Target	Count	% of Participants
0.6%	49	5.4%
6.0%	377	41.6%
7.5%	129	14.2%
8.0%	187	20.6%
8.5%	19	2.1%
10.0%	88	9.7%
12.0%	29	3.2% Employees with a cumulative ROE and EPS of 50% or greater
15.0%	25	2.8% Employees with a cumulative ROE and EPS of 50% or greater
20.0%	4	0.4% Employees with a cumulative ROE and EPS of 50% or greater
Total	907	

- b. See the table below:

Incentive Compensation O&M				
Total	CF	FN	FI	FT

2023 Total Incentive Compensation \$ 2,180,201 \$ 641,316 \$ 1,521,006 \$ 10,106 \$ 7,773

- c. See the table below:

	Incentive Compensation O&M				
	Total	CF	FN	FI	FT
2021 Incentive Compensation O&M per books	1,952,627	573,122	1,362,916	9,343	7,246
August 31, 2022 Incentive Compensation O&M per books	1,167,583	346,533	813,123	4,293	3,634

- d. See the table below:

	Incentive Compensation O&M				
	Total	CF	FN	FI	FT
2023 Total Incentive Compensation	\$ 2,180,201	\$ 641,316	\$ 1,521,006	\$ 10,106	\$ 7,773
Account					
870	371	169	169	17	17
871	34,480	10,353	23,947	90	90
885	34	17	17	-	-
901	37,848	9,754	27,761	167	167
903	19,380	5,628	13,647	52	52
920	2,080,543	613,290	1,450,058	9,752	7,443
925	7,546	2,107	5,407	28	4

Respondent: Michael Galtman

Interrogatory No. 150

150. Rent Expense. Please refer to the Rebuttal Testimony of Company witness Baugh and the response to OPC Interrogatory No. 113. On page 7 of her rebuttal, Ms. Baugh states that the response to the referenced response reported that the common area maintenance and rent tax of other leased space were not included in the Company's projection for 2023 test year rent expense.

- a. For the Newark facility, how was the common area maintenance amount of \$1,848 that was omitted from the 2023 projected test year derived? Show detailed calculations. In addition, in which system/division (e.g., FN, CF, FI and FT) is the Newark facility located?
- b. For the Middletown facility, how was the common area maintenance amount of \$11,462 that was omitted from the 2023 projected test year derived? Show detailed calculations. In addition, in which system/division (e.g., FN, CF, FI and FT) is the Middletown facility located?
- c. For the Meathe facility, how was the rent tax amount of \$26,368 that was omitted from the 2023 projected test year derived? Show detailed calculations. In addition, in which system/division (e.g., FN, CF, FI and FT) is the Meathe facility located?
- d. In which system/division (e.g., FN, CF, FI and FT) is the Silver Lake facility located.

Company Response:

- a. Please refer to the attachment provided in response to Citizen's Interrogatory 113 titled "OPC ROG 113 Rent Expense.xlsx" for the detailed calculation. The Newark facility is located in Delaware and is occupied by corporate employees which support all divisions of Chesapeake Utilities Corporation ("CUC"). The rent expense is allocated to each division of CUC using a Modified Massachusetts Method. The method allocates based on a composite of a) Gross Plant and CWIP,

- b) Employees, and 3) a 3-year average of earnings before income taxes. The combined allocated percentage to FN, CF, FI and FT is 22.6%.
- b. Please refer to the attachment provided in response to Citizen's Interrogatory 113 titled "OPC ROG 113 Rent Expense.xlsx" for the detailed calculation. The Middletown facility is located in Delaware and is occupied by corporate employees which support all divisions of CUC. The facility is allocated to each division of CUC using a Modified Massachusetts Method of which 22.6% is the combined allocated percentage to FN, CF, FI and FT.
- c. Please refer to the attachment provided in response to Citizen's Interrogatory 113 titled "OPC ROG 113 Rent Expense.xlsx" for the detailed calculation. The Meathe facility is located in South Florida and is occupied by natural gas operations and some Corporate employees. The facility is allocated between Florida Divisions using a Modified Massachusetts Method of which 80.20% is the combined allocated percentage to FN, CF, FI, and FT.
- d. The Silver Lake facility is located in Delaware and was occupied by corporate employees which support all divisions of CUC.

Respondent: Joanah Baugh

Interrogatory No. 151

151. Accumulated Depreciation Reserve related to Area Expansion Program (AEP). Refer to your response to Staff Interrogatory No. 7. Part b which states that reserve adjustment related to the AEP was understated in the Company's filing and should have included a projected adjustment of \$85,698. Please provide a breakout of the projected accumulated reserve adjustment \$85,698 between the four systems/divisions (e.g., FN, CF, FI and FT).

Company Response:

There is no breakout among the divisions. The entire projected AEP accumulated reserve adjustment applies to FN.

Respondent: Pat Lee

Interrogatory No. 152

152. Directors and Officers Liability Insurance (D&O). Refer to the response to OPC Interrogatory No. 61.

- a. Please break out the \$36,098 of D&O insurance expense that is included in projected 2023 test year's 13-month average working capital between the four systems/divisions (e.g., FN, CF, FI and FT).
- b. Please break out the \$171,055 of D&O insurance expense that is included in projected 2023 test year's operating expenses between the four systems/divisions (e.g., FN, CF, FI and FT).

Company Response:

Please refer to the attached file "OPC ROG Nos. 152 a and b.xlsx"

Respondent: Noah Russell

Interrogatory No. 153

153. Incentive Compensation Expense. Refer to the response to OPC Interrogatory No. 42. Please break out the \$2,180,201 (\$1,242,623 – non-executive + \$937,578 – executive) of incentive compensation expense that is included in projected 2023 test year’s operating expenses between the four systems/divisions (e.g., FN, CF, FI and FT).

Company Response:

	Incentive Compensation O&M				
	Total	CF	FN	FI	FT
2023 Total Incentive Compensation	\$ 2,180,201	\$ 641,316	\$ 1,521,006	\$ 10,106	\$ 7,773

Respondent: Michael Galtman

Interrogatory No. 154

154. Stock-Based Compensation Expense. Refer to the response to OPC Interrogatory No. 43. Please break out the \$1,375,505 (\$1,206,396 – non-Board + \$169,107 – Board) of stock-based compensation expense that is included in projected 2023 test year’s operating expenses between the four systems/divisions (e.g., FN, CF, FI and FT).

Company Response:

	2023 Projection				
	Total	CF	FN	FI	FT
Total Stock Based Compensation	\$ 1,375,505	\$ 451,983	\$ 915,332	\$ 2,396	\$ 5,794

Respondent: Michael Galtman

Interrogatory No. 155

155. Supplemental Executive Retirement Program (SERP). Refer to the response to OPC Interrogatory No. 46. Please break out the \$1,762 of SERP expense that is included in projected 2023 test year's operating expenses between the four systems/divisions (e.g., FN, CF, FI and FT).

Company Response:

		2023 Projection				
		Total	CF	FN	FI	FT
Supplemental Executive Retirement Program (SERP)	\$	1,762	\$ 881	\$ 881	\$ -	\$ -

Respondent: Michael Galtman

Interrogatory No. 156

156. Lobbying Costs. Refer to your response to OPC Interrogatory No. 54. Part b of this response included lobbying costs totaling \$35,366 which the Company stated was inadvertently included in cost of service. Please break out the \$35,366 of lobbying costs that were inadvertently included in projected 2023 test year's operating expenses between the four systems/divisions (e.g., FN, CF, FI and FT).

Company Response:

FN	\$19,597
CF	\$14,960
FI	\$404
FT	\$404
Total	<u>\$35,366</u>

Respondent: Joanah Baugh

Interrogatory No. 157

157. Company Events. Refer to the response to OPC Interrogatory No. 101. Please break out the \$38,835 of costs for Company sponsored events that is included in projected 2023 test year's operating expenses between the four systems/divisions (e.g., FN, CF, FI and FT).

Company Response:

	Trended 2023
Company Events	\$ 38,835
CF	11,145
FN	27,381
FI	155
FT	155

Respondent: Michael Galtman

FPUC
D&O Insurance Expense Included in Working Capital by System
2023 Test Year
OPC's 4th INTS (NOS. 152 a.)

[illegible]

FPUC
D&O Insurance Expense by System
2023 Test Year
OPC's 4th INTS (NOS. 152 b.)

	<u>2023 Test Year</u>
FN	123,048
CF	46,859
FI	638
FT	510
<u>TOTAL</u>	<u>171,055</u>

In re: Petition for rate increase by Florida) Docket No. 20220067-GU
Public Utilities Company, Florida Division of)
Chesapeake Utilities Corporation, Florida)
Public Utilities – Fort Meade and Florida)
Public Utilities – Indiantown Division) Filed:
_____)

DECLARATION

I hereby certify and affirm that I sponsored the Company's responses to OPC'S FOURTH SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY, No. 151 in Docket No. 20220067-GU. The responses are true and correct to the best of my knowledge.

Under penalty of perjury, I declare that I have read the foregoing declaration and the interrogatory responses identified above, and that the facts stated therein are true.



Pat Lee, Declarant

Dated: 09/30/2022

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida) Docket No. 20220067-GU
Public Utilities Company, Florida Division of)
Chesapeake Utilities Corporation, Florida)
Public Utilities – Fort Meade and Florida)
Public Utilities – Indiantown Division) Filed:
_____)

DECLARATION

I hereby certify and affirm that I sponsored the Company's responses to CITIZENS' FOURTH SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY, No. 152 in Docket No. 20220067-GU. The responses are true and correct to the best of my knowledge.

Under penalty of perjury, I declare that I have read the foregoing declaration and the interrogatory responses identified above, and that the facts stated therein are true.



Noah Russell, Declarant

Dated: 10/4/22

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida) Docket No. 20220067-GU
Public Utilities Company, Florida Division of)
Chesapeake Utilities Corporation, Florida)
Public Utilities – Fort Meade and Florida)
Public Utilities – Indiantown Division) Filed:
_____)

DECLARATION

I hereby certify and affirm that I sponsored the Company's responses to CITIZENS' FOUTH SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY, Nos. 150 and 156 in Docket No. 20220067-GU. The responses are true and correct to the best of my knowledge.

Under penalty of perjury, I declare that I have read the foregoing declaration and the interrogatory responses identified above, and that the facts stated therein are true.

Joanah Baugh

Joanah Baugh, Declarant

Dated: ____10/4/2022____

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida)	Docket No. 20220067-GU
Public Utilities Company, Florida Division of)	
Chesapeake Utilities Corporation, Florida)	
Public Utilities – Fort Meade and Florida)	
Public Utilities – Indiantown Division)	Filed:
)	

DECLARATION

I hereby certify and affirm that I sponsored the Company's responses to CITIZENS' FOURTH SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY, Nos. 149, 153-155 and 157 in Docket No. 20220067-GU. The responses are true and correct to the best of my knowledge.

Under penalty of perjury, I declare that I have read the foregoing declaration and the interrogatory responses identified above, and that the facts stated therein are true.



Michael Galtman, Declarant

Dated: ____10/19/2022____