

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of regulatory assets to record costs incurred due to COVID-19, by Florida Public Utilities Company, Florida Public Utilities Company - Indiantown Division, Florida Public Utilities Company - Fort Meade, Florida Division of Chesapeake Utilities Corporation.

DOCKET NO. 20200194-PU

In re: Petition for approval of a regulatory asset to record costs incurred due to COVID-19, by Gulf Power Company.

DOCKET NO. 20200151-EI
ORDER NO. PSC-2021-0266A-S-PU
ISSUED: August 26, 2021

AMENDATORY ORDER

In Order No. PSC-2021-0266-S-PU, issued July 27, 2021, we approved a Stipulation and Settlement between Florida Public Utilities Company (FPUC) and the Office of Public Counsel (OPC). However, due to a scrivener's error, Attachment A to that Order contains a Stipulation and Settlement Agreement between Gulf Power Company and OPC, and not the one between FPUC and OPC. Therefore, Order No. PSC-2021-0266-S-PU is amended to substitute the correct Stipulation and Settlement between FPUC and OPC, a copy of which is incorporated by reference and appended hereto as Attachment A.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Order No. PSC-2021-0266-S-PU is hereby amended to substitute a correct copy of the Stipulation and Settlement between Florida Public Utilities Company and the Office of Public Counsel, which is incorporated by reference as Attachment A. It is further

ORDERED that Order No. PSC-2021-0266-S-PU is reaffirmed in all other respects.

ORDER NO. PSC-2021-0266A-S-PU
DOCKET NOS. 20200194-PU, 20200151-EI
PAGE 2

By ORDER of the Florida Public Service Commission this 26th day of August, 2021.



ADAM J. TEITZMAN
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

SPS

ATTACHMENT "A"

Docket No. 20200194 – PU: In re: Petition for approval of regulatory assets to record costs incurred due to COVID-19, by Florida Public Utilities Company, Florida Public Utilities Company - Indiantown Division, Florida Public Utilities Company - Fort Meade, Florida Division of Chesapeake Utilities Corporation.

STIPULATION AND SETTLEMENT

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of a regulatory asset to record costs incurred due to COVID- 19, by Gulf Power Company.	DOCKET NO. 20200151-EI
In re: Petition for approval of a regulatory asset to record costs incurred due to COVID- 19, by Utilities, Inc. of Florida.	DOCKET NO. 20200189-WS
In re: Petition for approval of regulatory assets to record costs incurred due to COVID-19, by Florida Public Utilities Company, Florida Public Utilities Company - Indiantown Division, Florida Public Utilities Company - Fort Meade, Florida Division of Chesapeake Utilities Corporation.	DOCKET NO. 20200194-PU FILED: June 11, 2021

STIPULATION AND SETTLEMENT BETWEEN FPUC AND OPC

WHEREAS, Florida Public Utilities Company (Electric and all Natural Gas Divisions) and the Florida Division of Chesapeake Utilities Corporation (herein, “FPUC” or “Companies”) and the Office of Public Counsel (“OPC”) have signed this Stipulation and Settlement regarding the Companies’ requests for relief, which initiated Docket No. 20200194-PU, (“Covid-19 Settlement”); and

WHEREAS, unless the context clearly intends otherwise, the term “Party” or “Parties” shall mean a signatory or signatories to this Covid-19 Settlement; and

WHEREAS, on March 9, 2020, the Governor issued Executive Order Number 20-52, declaring a state of emergency for the State of Florida as a result of Novel Coronavirus Disease 2019, or COVID-19; and

WHEREAS, due to emergency orders and ordinances issued by counties and municipalities throughout the State of Florida, many Florida citizens and businesses were greatly

Docket No. 20200194-PU
Settlement/Covid-19 Regulatory Asset

impacted by closure of certain businesses and/or restrictions on businesses causing significant economic impacts as well as health impacts due to the COVID-19 pandemic; and

WHEREAS, many Florida citizens and businesses have experienced a substantial reduction or loss of income due to the COVID-19 restrictions and these some of citizens and businesses are located in FPUC's service territories; and

WHEREAS, due to the pandemic's economic impacts on FPUC's customers, FPUC experienced increases in bad debt; and

WHEREAS, FPUC incurred additional costs related to COVID-19 to ensure the safety of their employees and customers during the COVID-19 pandemic through remote working, personal protective equipment, and additional cleaning; and

WHEREAS, the impact of the COVID-19, has been prolonged and devastating with lasting, long-term effects both nationally and globally especially for many individuals that are residential customers and small business customers; and

WHEREAS, on August 11, 2020, FPUC petitioned the Florida Public Service Commission ("the Commission") for approval to establish a regulatory asset for the incremental costs associated with the COVID-19 pandemic for each of its natural gas and electric business units; and

WHEREAS, on October 26, 2020, the Florida Public Service Commission ("FPSC") issued Order No. PSC-2020-0404-PAA-PU ("PAA Order") allowing the Companies to establish regulatory assets, and record certain incremental costs in those regulatory assets, for bad debt and safety-related costs directly and solely attributable to the health and safety of the Companies' employees and its customers during the COVID-19 pandemic while specifically excluding lost revenues; and

WHEREAS, by its PAA Order, the Commission also required the Companies to track and report on any assistance or benefits, regardless of form or source, that would offset any COVID-

Docket No. 20200194-PU
Settlement/Covid-19 Regulatory Asset

19 related expenses including but not limited to any cost savings directly attributable to COVID-19; and

WHEREAS, the OPC protested Order No. PSC-2020-0404-PAA-GU on November 16, 2020; and

WHEREAS, Docket No. 20200194-PU addressing the Companies' requests was consolidated with the additional referenced dockets for purposes of hearing by Order No. PSC-2021-0104-PCO-PU, issued March 12, 2021; and

WHEREAS, by Order No. PSC-2021-0104-PCO-PU, as amended by Order No. PSC-2021-0104A-PCO-PU, the consolidated dockets were scheduled for an administrative hearing on June 16, 2021; and

WHEREAS, pursuant to the Prehearing Officer's scheduling orders, FPUC and OPC have submitted the testimony and exhibits of their respective witnesses; and

WHEREAS, extensive discovery has been conducted as it pertains to Docket No. 20200194-PU; and

WHEREAS, after full and extensive review of the testimony and discovery produced, the Parties have engaged in good faith discussion and have reached a full and complete resolution of all matters in Docket No. 20200194-PU; and

WHEREAS, the legal system, as well as the Commission, favors settlement of disputes, including interim solutions, for a variety of reasons, including that they are in the public interest; and

WHEREAS, the Parties to this Covid-19 Settlement, individually and collectively, agree that this Covid-19 Settlement, when taken as a whole, is in the public interest; and

WHEREAS, the Parties are not in agreement on all legal and policy questions raised in these proceedings, but have mutually agreed in compromise, without conceding either Party's position on the legal and policy questions is correct, to adjustments to the categories and amounts

Docket No. 20200194-PU
Settlement/Covid-19 Regulatory Asset

requested for recovery by FPUC to be included in the regulatory asset, as well as a mechanism for recovery of the amount of the regulatory asset; and

WHEREAS, the Parties have entered into this Covid-19 Settlement in compromise of positions taken in accord with their rights and interests under Chapters 350, 366 and 120, Florida Statutes, as applicable, and as part of a negotiated exchange of consideration among the Parties, each Party has agreed to concessions to the others with the expectation, intent, and understanding such that all provisions of this Covid-19 Settlement, upon approval by the Commission, will be enforced by the Commission as to all matters addressed herein with respect to both Parties;

NOW THEREFORE, in consideration of the foregoing and the covenants contained herein, the Parties hereby stipulate and agree as follows:

I. Establishment of Regulatory Asset

1. The Parties agree that FPUC may establish a regulatory asset in a total amount of \$2,085,759, inclusive of each of divisions allocation of the regulatory asset (hereafter “regulatory asset”), which shall be deemed the appropriate amount as of June 30, 2021. The regulatory asset shall be allocated to the Companies’ electric and natural gas business units in accordance with Exhibit A, which is attached hereto and incorporated by reference.
2. The regulatory asset amount of \$2,085,759 includes COVID-19 related incremental expenses for bad debt write-offs, personal protective equipment, cleaning and business information services for remote working.
3. The request for inclusion of the following categories of costs in the regulatory asset shall be deemed recovered through COVID-19 related savings in this docket as of June 30, 2021, and not eligible for any recovery in any future proceeding(s): health claims (\$145,827); Communication (\$37,980), Consulting (\$20,976), Legal (\$33,552) and Other (\$113,892). The dollar amounts are the costs identified by the Company in these categories at the time of the signing of the document and not intended to allow potential future recovery of any additional costs incurred in these categories prior to June 30, 2021.

Docket No. 20200194-PU
Settlement/Covid-19 Regulatory Asset

4. FPUC will not record any further amounts to the regulatory asset after June 30, 2021. Any incremental costs associated with the COVID-19 pandemic or otherwise incurred after June 30, 2021, or as specified for Paragraph 5 items, will be deemed a separate event by the Parties.
5. The specific incremental amounts identified by FPUC for inclusion in the regulatory asset pertaining to incremental (“hazard”) pay in the amount of \$407,443 and the lost opportunity for a reduced insurance premium in the amount of \$360,360 for the prior period up to and including April 30, 2021, shall be deemed to have been fully recovered by the Companies through COVID-19 savings for purposes of this proceeding, as well as any future proceeding(s) involving the Companies.
6. The Parties have agreed that, beginning with the factors established for the calendar year 2022, FPUC shall be allowed to amortize over two years and recover the allocated regulatory asset established consistent with the provisions of this Covid-19 Settlement through the Purchased Gas Adjustment and Swing Service mechanisms for the natural gas business units and through the Fuel and Purchased Power Cost Recovery clause mechanism for the electric division.

II. Additional Commitments

7. Nothing in this Covid-19 Settlement will have precedential value.
8. The Parties’ agreement to the terms in this Covid-19 Settlement shall be without prejudice to any Party’s ability to advocate a different position in future proceedings not involving this Covid-19 Settlement or pending or future proceedings involving other utilities. The Parties further expressly agree that no individual provision, by itself, necessarily represents a position of any Party in any future proceeding, and the Parties further agree that no Party shall assert or represent in any future proceeding in any forum that another Party endorses any specific provision of this Covid-19 Settlement by virtue of that Party’s signature on, or participation in, this Covid-19 Settlement. It is the intent of the Parties to this Covid-19

Docket No. 20200194-PU
Settlement/Covid-19 Regulatory Asset

Settlement that the Commission's approval of all the terms and provisions of this Covid-19 Settlement is an express recognition that no individual term or provision, by itself, necessarily represents a position, in isolation, of any Party or that a Party to this Covid-19 Settlement endorses a specific provision, in isolation, of this Covid-19 Settlement by virtue of that Party's signature on, or participation in, this Covid-19 Settlement.

9. The Parties agree the direct and rebuttal testimony of FPUC's witnesses Galtman and Craig, and the rebuttal testimony of joint witness Deason, only as it pertains to FPUC, as well as the direct testimony of OPC witness Lawton shall be entered into the record of this consolidated proceeding, along their exhibits and the FPUC related exhibits on the stipulated Comprehensive Exhibit List.
10. Approval of this Covid-19 Settlement resolves all issues in this proceeding. The Parties agree that approval of the Covid-19 Settlement will avoid additional litigation costs for the Parties. The Parties agree to waive:
 - i. All notice requirements for a hearing as set forth in Section 120.569(2)(b), Florida Statutes, or other applicable law;
 - ii. Their right to require a hearing on the merits;
 - iii. Their respective rights to seek reconsideration of any Final Order that approves this Covid-19 Settlement in its entirety without change; and
 - iv. Their respective right to judicial review of any such final agency action approving this Covid-19 Settlement afforded by Section 120.68, Florida Statutes.
11. The Parties further agree they will support this Covid-19 Settlement and affirmatively assert that this Covid-19 Settlement is in the public interest and should be approved. The Parties likewise agree and acknowledge that the Commission's approval of this Covid-19 Settlement promotes planning and regulatory certainty for both FPUC and the customers of its natural gas and electric divisions.

Docket No. 20200194-PU
Settlement/Covid-19 Regulatory Asset

12. The effective date of this Covid-19 Settlement shall be the date of the Commission's vote approving this Covid-19 Settlement.
13. The provisions of this Covid-19 Settlement are contingent upon approval by the Commission of the Covid-19 Settlement in its entirety without modification, which the Parties agree is in this public interest. Approval of this Covid-19 Settlement will resolve all matters and issues in Docket 20200194-PU.

[SIGNATURE PAGES FOLLOW]

Docket No. 20200194-PU
Settlement/Covid-19 Regulatory Asset

In Witness Whereof, the Parties evidence their mutual acceptance and agreement with the provisions of this Covid-19 Settlement by their signature.

Dated this 11 day of June, 2021.

**Florida Public Utilities Company
and the Florida Division of Chesapeake
Utilities Corporation**

By: 

Office of Public Counsel

By: 