

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080001-EI
CONTINUING SURVEILLANCE AND REVIEW OF
FUEL COST RECOVERY CLAUSES OF ELECTRIC UTILITIES

Direct Testimony of
Curtis Young
On Behalf of
Florida Public Utilities Company

- 1 Q. Please state your name and business address.
- 2 A. Curtis Young, 401 South Dixie Highway, West Palm Beach, FL 33401.
- 3 Q. By whom are you employed?
- 4 A. I am employed by Florida Public Utilities Company.
- 5 Q. Have you previously testified in this Docket?
- 6 A. Yes.
- 7 Q. What is the purpose of your testimony at this time?
- 8 A. I will briefly describe the basis for the computations that were
- 9 made in the preparation of the various Schedules that we have
- 10 submitted in support of the January 2009 - December 2009 fuel cost
- 11 recovery adjustments for our two electric divisions. In addition,
- 12 I will advise the Commission of the projected differences between
- 13 the revenues collected under the levelized fuel adjustment and the
- 14 purchased power costs allowed in developing the levelized fuel
- 15 adjustment for the period January 2008 - December 2008 and to
- 16 establish a "true-up" amount to be collected or refunded during
- 17 January 2009 - December 2009.
- 18 Q. Were the schedules filed by your Company completed under your
- 19 direction?
- 20 A. Yes.
- 21 Q. Which of the Staff's set of schedules has your company completed
- 22 and filed?
- 23 A. We have filed Schedules E1, E1A, E2, E7, and E10 for Marianna
- 24 (Northwest division) and E1, E1A, E2, E7, E8, and E10 for

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1 Fernandina Beach (Northeast division). They are included in
2 Composite Prehearing Identification Number CDY-3.

3 Q. In derivation of the projected cost factor for the January 2009 -
4 December 2009 period, did you follow the same procedures that were
5 used in the prior period filings?

6 A. Yes.

7 Q Why has the GSLD1 rate class for Fernandina Beach (Northeast
8 division) been excluded from these computations?

9 A. Demand and other purchased power costs are assigned to the GSLD1
10 rate class directly based on their actual CP KW and their actual
11 KWH consumption. That procedure for the GSLD1 class has been in
12 use for several years and has not been changed herein. Costs to be
13 recovered from all other classes are determined after deducting
14 from total purchased power costs those costs directly assigned to
15 GSLD1.

16 Q. How will the demand cost recovery factors for the other rate
17 classes be used?

18 A. The demand cost recovery factors for each of the RS, GS, GSD, GSLD,
19 GSLD1 and OL-SL rate classes will become one element of the total
20 cost recovery factor for those classes. All other costs of
21 purchased power will be recovered by the use of the levelized
22 factor that is the same for all those rate classes. Thus the total
23 factor for each class will be the sum of the respective demand cost
24 factor and the levelized factor for all other costs.

25 Q. Please address the calculation of the total true-up amount to be
26 collected or refunded during the January 2009 - December 2009.

27 A. We have determined that at the end of December 2008 based on six
28 months actual and six months estimated, we will have under-
29 recovered \$187,657 in purchased power costs in our Marianna

1 (Northwest division). Based on estimated sales for the period
2 January 2009 - December 2009, it will be necessary to add .05877¢
3 per KWH to collect this under-recovery.

4 In Fernandina Beach (Northeast division) we will have under-
5 recovered \$455,865 in purchased power costs. This amount will be
6 collected at .13591¢ per KWH during the January 2009 - December
7 2009 period (excludes GSLD1 customers). Page 3 and 10 of Composite
8 Prehearing Identification Number CDY-3 provides a detail of the
9 calculation of the true-up amounts.

10 Q. What are the final remaining true-up amounts for the period January
11 2007 - December 2007 for both divisions?

12 A. In Marianna (Northwest division) the final remaining true-up amount
13 was an over-recovery of \$442,219. The final remaining true-up
14 amount for Fernandina Beach (Northeast division) was an over-
15 recovery of \$949,245.

16 Q. What are the estimated true-up amounts for the period of January
17 2008 - December 2008?

18 A. In Marianna (Northwest division), there is an estimated under-
19 recovery of \$629,876. Fernandina Beach (Northeast division) has an
20 estimated under-recovery of \$1,405,110.

21 Q. What will the total fuel adjustment factor, excluding demand cost
22 recovery, be for both divisions for the period?

23 A. In Marianna (Northwest division) the total fuel adjustment factor
24 as shown on Line 33, Schedule E1, is 6.557¢ per KWH. In Fernandina
25 Beach (Northwest division) the total fuel adjustment factor for
26 "other classes", as shown on Line 43, Schedule E1, amounts to
27 6.280¢ per KWH.

28 Q. Please advise what a residential customer using 1,000 KWH will pay
29 for the period January 2009 - December 2009 including base rates,

1 conservation cost recovery factors, and fuel adjustment factor and
2 after application of a line loss multiplier.

3 A. In Marianna (Northwest division) a residential customer using 1,000
4 KWH will pay \$138.09, an increase of \$14.64 from the previous
5 period. In Fernandina Beach (Northeast division) a customer will
6 pay \$120.85, an increase of \$4.41 from the previous period.

7 Q. Does this conclude your testimony?

8 A. Yes.