

Writer's Direct Dial Number: (850) 521-1706
Writer's E-Mail Address: bkeating@gunster.com

October 4, 2016

E-PORTAL/ELECTRONIC FILING


Ms. Carlotta Stauffer, Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

**Re: Docket No. 160001-EI: Fuel and Purchased Power Cost Recovery Clause with
Generating Performance Incentive Factor**

Dear Ms. Stauffer:

Attached for filing, please find the Florida Public Utilities Company's Prehearing Statement. Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions whatsoever.

Sincerely,



Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

MEK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost recovery clause with generating performance incentive factor.

DOCKET NO. 160001-EI

DATED: October 4, 2016

**FLORIDA PUBLIC UTILITIES COMPANY'S
PREHEARING STATEMENT**

In accordance with the Order Establishing Procedure for this Docket, Order No. PSC-16-0109-PCO-EI, issued March 17, 2016, as modified, including by Order No. PSC-16-0394-PCO-EI, Florida Public Utilities Company ("FPUC," or "Company") hereby files its Prehearing Statement.

a. All Known Witnesses

<u>Witness</u>	<u>Subject</u>	<u>Issue</u>
Curtis D. Young	Final True Up 2015	9
Michael Cassel	Estimated/Actual 2016	10
Michael Cassel	Projection for 2017	11, 12, 19, 20, 21, 22, 23, 35
P. Mark Cutshaw	Special Projects	11, 12
Drane Shelley	Eight Flags Update	12

b. All Known Exhibits

<u>Witness</u>	<u>Exhibit</u>	<u>Title</u>
Young	CDY-1 (Composite)	Final True Up Schedules (Schedules A, C1 and E1-B for FPUC's Divisions)
Cassel	MC-1 (Composite)	Estimated/Actual (Schedules E1-A, E1-B, and E1-B1)

<u>Witness</u>	<u>Exhibit</u>	<u>Title</u>
Cassel	MC-2 (Composite)	Schedules E1, E1A, E2, E7, E8, E10 and Schedule A

c. FPUC's Statement of Basic Position

FPUC: The Commission should approve Florida Public Utilities Company's final net true-up for the period January through December 2015, the estimated true-up for the period January through December, 2016, and the purchase power cost recovery factor for the period January through December, 2017.

d. FPUC's Position on the Issues

GENERIC FUEL ADJUSTMENT ISSUES

ISSUE 7: What are the appropriate actual benchmark levels for calendar year 2016 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FPUC's Position: No position.

ISSUE 8: What are the appropriate estimated benchmark levels for calendar year 2017 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FPUC's Position: No position.

ISSUE 9: What are the appropriate final fuel adjustment true-up amounts for the period January 2015 through December 2015?

FPUC's Position: \$28,109 (Under-recovery) (*Young*)

ISSUE 10: What are the appropriate fuel adjustment actual/estimated true-up amounts for the period January 2016 through December 2016?

FPUC's Position: \$1,261,783 (Under-recovery) (*Cassel*)

ISSUE 11: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2017 to December 2017?

FPUC's Position: \$1,289,892 (Under-recovery) (Young)

ISSUE 12: What are the appropriate projected total fuel and purchased power cost recovery amounts for the period January 2017 through December 2017?

FPUC's Position: The appropriate projected total fuel and purchased power cost recovery amounts for the period January 2017 through December 2017 is \$64,925,483. (Cassel)

FUEL FACTOR CALCULATION ISSUES

ISSUE 19: What are the appropriate projected net fuel and purchased power cost recovery and Generating Performance Incentive amounts to be included in the recovery factor for the period January 2017 through December 2017?

FPUC's Position: The appropriate projected net fuel and purchased power cost recovery and Generating Performance Incentive amounts to be included in the recovery factor for the period January 2017 through December 2017 is \$66,215,375, which includes prior period true-ups. (Cassel)

ISSUE 20: What is the appropriate revenue tax factor to be applied in calculating each investor-owned electric utility's levelized fuel factor for the projection period January 2017 through December 2017?

FPUC's Position: The appropriate tax revenue factor is 1.00072. (Cassel)

ISSUE 21: What are the appropriate levelized fuel cost recovery factors for the period January 2017 through December 2017?

FPUC's Position: The appropriate factor is 6.593¢ per kWh. (Young)

ISSUE 22: What are the appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class?

FPUC's Position: The appropriate line loss multiplier is 1.0000. (Young)

ISSUE 23: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

FPUC's Position: The appropriate levelized fuel adjustment and purchased power cost recovery factors for the period January 2017 through December 2017 for the Consolidated Electric Division, adjusted for line loss multipliers and including taxes, are as follows:

<i>Rate Schedule</i>	<i>Adjustment</i>
RS	\$0.10417
GS	\$0.09975
GSD	\$0.09530
GSLD	\$0.09238
LS	\$0.07088
<u>Step rate for RS</u>	
RS Sales	\$0.10417
RS with less than 1,000 kWh/month	\$0.10055
RS with more than 1,000 kWh/month	\$0.11305

Consistent with the fuel projections for the 2017 period, the appropriate adjusted Time of Use (TOU) and Interruptible rates for the Northwest Division for 2017 period are:

Time of Use/Interruptible

<i>Rate Schedule</i>	<i>Adjustment On Peak</i>	<i>Adjustment Off Peak</i>
RS	\$0.18455	\$0.06155
GS	\$0.13975	\$0.04975
GSD	\$0.13530	\$0.06280
GSLD	\$0.15238	\$0.06238
Interruptible	\$0.07738	\$0.09238

(Cassel)

EFFECTIVE DATE

ISSUE 35: What should be the effective date of the fuel adjustment factors and capacity cost recovery factors for billing purposes?

FPUC's Position: The effective date for FPUC's cost recovery factors should be the first billing cycle for January 1, 2017, which could include some consumption from the prior month. Thereafter, customers should be billed the approved factors for a full 12 months, unless the factors are otherwise modified by the Commission. *(Cassel)*

TARIFF APPROVAL

ISSUE 36: Should the Commission approve revised tariffs reflecting the fuel adjustment factors and capacity cost recovery factors determined to be appropriate in this proceeding?

FPUC's Position: Yes. The Commission should approve revised tariffs reflecting the fuel adjustment factors and capacity cost recovery factors determined to be appropriate in this proceeding. The Commission should direct staff to verify that the revised tariffs are consistent with the Commission's decision.

ISSUE 37: Should this docket be closed?

FPUC's Position: Yes.

e. Stipulated Issues

While not a party to stipulations at this time, the FPUC believes that it should be possible to reach a stipulation on each of the issues as they pertain to FPUC.

f. Pending Motions

FPUC has no pending motions at this time.

g. Pending Confidentiality Claims or Requests

FPUC's Request for Confidential Classification for information contained in Exhibit MC-2, filed on September 1, 2016.

h. Objections to Witness Qualifications as an Expert

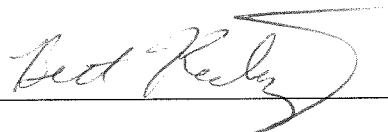
FPUC has no objections to any witnesses' qualifications at this time.

i. Compliance with Order No. PSC-16-0109-PCO-EI

FPUC has complied with all requirements of the Order Establishing Procedure entered in this docket, as well as the subsequent orders issued modifying that Order.

RESPECTFULLY SUBMITTED this 4th day of October, 2016.

BY: _____



Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

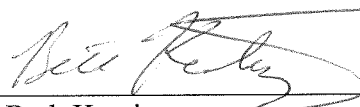
Attorneys for Florida Public Utilities Company

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 4th day of October, 2016:

<p>Danijela Janjic Suzanne Brownless Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850 djanjic@psc.state.fl.us sbrownle@psc.state.fl.us</p>	<p>James D. Beasley/J. Jeffrey Wahlen/Ashley Daniels Ausley Law Firm Post Office Box 391 Tallahassee, FL 32302 jbeasley@ausley.com jwahlen@ausley.com adaniels@ausley.com</p>
<p>Jeffrey Stone/Russell Badders/Steven Griffin Beggs & Lane P.O. Box 12950 Pensacola, FL 32591-2950 srg@beggslane.com</p>	<p>James W. Brew/Laura Wynn Stone Matheis Xenopoulos & Brew, PC Eighth Floor, West Tower 1025 Thomas Jefferson Street, NW Washington, DC 20007 jbrew@smxblaw.com</p>
<p>John T. Butler Maria Moncada Florida Power & Light Company 700 Universe Boulevard Juno Beach, FL 33408-0420 John.Butler@fpl.com</p>	<p>Kenneth Hoffman Florida Power & Light Company 215 South Monroe Street, Suite 810 Tallahassee, FL 32301 Ken.Hoffman@fpl.com</p>
<p>Ms. Paula K. Brown Tampa Electric Company Regulatory Affairs P.O. Box 111 Tampa, FL 33601-0111 Regdept@tecoenergy.com</p>	<p>Florida Industrial Users Power Group Jon C. Moyle, Jr. Moyle Law Firm 118 North Gadsden Street Tallahassee, FL 32301 jmoyle@moylelaw.com</p>
<p>Mike Cassel Florida Public Utilities Company 1750 SW 14th Street, Suite 200 Fernandina Beach, FL 32034 mcassel@fpuc.com</p>	<p>Florida Retail Federation Robert Scheffel Wright/John T. LaVia Gardner Law Firm 1300 Thomaswood Drive Tallahassee, FL 32308 schef@gbwlegal.com</p>

<p>Robert L. McGee, Jr. Gulf Power Company One Energy Place Pensacola, FL 32520 rlmcgee@southernco.com</p>	<p>P. Christensen/C. Rehwinkel/E. Saylor Office of Public Counsel c/o The Florida Legislature 111 W. Madison Street, Room 812 Tallahassee, FL 32399-1400 Christensen.patty@leg.state.fl.us Rehwinkel.Charles@leg.state.fl.us Saylor.Eric@leg.state.fl.us</p>
<p>Matthew Bernier Duke Energy 106 East College Avenue, Suite 800 Tallahassee, FL 32301 Matthew.Bernier@duke-energy.com</p>	<p>Dianne M. Triplett Duke Energy 299 First Avenue North St. Petersburg, FL 33701 Dianne.Triplett@duke-energy.com</p>
	<p>Michael Barrett Division of Accounting and Finance Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, Florida 32399-0850 mbarrett@psc.state.fl.us</p>

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