



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

November 3, 2017

E-PORTAL FILING

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

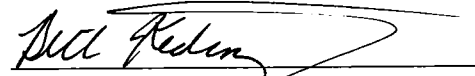
Re: Docket No. 20170150-EI - Petition for limited proceeding to include reliability and modernization projects in rate base, by Florida Public Utilities Company.

Dear Ms. Stauffer:

Attached, please find Florida Public Utilities Company's Response to the Staff Audit in this proceeding, Audit Control No: 20 17-207-4-1.

As always, please don't hesitate to let me know if you have any questions. Thank you for your assistance with this filing.

Kind regards,


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

cc:/ (Office of Public Counsel)

Response to Audit Finding 1:

On September 15, 2017, the Company sent invoice details for nine invoices requested for review during Staff's audit, request number 13, which included a detailed description by day of the legal services provided. The detailed description summarizes the issues the attorney addressed each day of the billing cycle, which can entail several different items.

Ms. Leon stated that the invoices did not show what they did for the limited proceeding project, to which the Company responded to look (within the description) for the words ESTAR/Limited Proceeding. Apparently, Ms. Leon was not able to determine the costs related to this filing in the detail submitted and issued a finding for three (3) of the nine (9) invoices requested and eliminated \$8,320.50 from the proceeding. However, the other six invoices requested were submitted in the same format and detail as the three rejected invoices, yet they passed in the audit.

The Company respectfully requests that the eliminated invoices, totaling \$8,320.50, be included for recovery in this proceeding.

Clarification – Rate Base/Utility Plant in Service

The Company provides this clarifying response to the second paragraph of the Utility Plant in Service section of the Rate Base discussion that was included in the staff's final audit report issued on October 13, 2017. As part of the Company's response to staff's audit, number DR 12, on August 30, 2017, the Company incorrectly stated, in regards to the FP&L interconnect project, that the "total costs are expected to be \$5,870,800." This amount was derived by incorrectly adding together both part one and two of the FP&L project. In fact, a majority portion of part two is included in the price of part one. Instead of adding these two parts together, part 2 should have been reduced to only include the portion that the Company is responsible for paying per the contract with FP&L. On September 1, 2017, the Company realized the error and communicated it to Ms. Leon via email.