

State of Florida



# Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

**-M-E-M-O-R-A-N-D-U-M-**

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**DATE:** November 7, 2017

**TO:** Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk

**FROM:** Penelope D. Buys, Engineering Specialist III, Division of Engineering *PEG PDB*

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

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Please place the following email response from the Utility in the docket file. The email is answering an inquiry from staff about a change in price of two projects.

## Penny Buys

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**From:** Suzanne Brownless  
**Sent:** Tuesday, November 07, 2017 1:50 PM  
**To:** Penny Buys  
**Subject:** FW: Docket No. 20170150

**Importance:** Low

Suzanne Brownless  
Senior Attorney  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850  
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**From:** Keating, Beth [<mailto:BKeating@gunster.com>]  
**Sent:** Tuesday, November 07, 2017 11:20 AM  
**To:** Suzanne Brownless; Matthew Vogel  
**Cc:** Patty Christensen ([christensen.patty@leg.state.fl.us](mailto:christensen.patty@leg.state.fl.us)); 'Cassel, Michael'  
**Subject:** {BULK} Docket No. 20170150  
**Importance:** Low

Suzanne, in response to a staff inquiry, FPUC offers the following clarification of what may appear to be differences in amounts listed for completed projects on the version of Exhibit MDC-2, page 1, submitted as Attachment A to the Company's responses to Staff's 6<sup>th</sup> data requests and in the updated version submitted as Attachment B with the Company's responses to Staff's 6<sup>th</sup> data requests.

The difference in the amount presented in Attachment A for those projects and in the revised version provided as Attachment B is due primarily to the fact that, in the one version CWIP was removed before the amounts were included on page 1 of 2. In the version provided at Attachment B with the Company's responses to staff's 6<sup>th</sup> data requests, the Company neglected to remove CWIP before including the amounts on page 1 of 2. In each instance, CWIP was, however, removed before the revenue requirement was calculated. The other minor differences between the two spreadsheets as it relates to completed projects are associated with the allocation of corporate costs and taxes, which have been allocated to the projects based on the investment in each project compared to the total investment of all projects. Since the total investment changed and one project was eliminated, the allocation percentages changed.

We hope this helps clarify the Company's response. As always, please don't hesitate to contact me if you have any questions.

Best,  
Beth



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