GUNSTER
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

July 27, 2020

VIA E -PORTAL

Mr. Adam Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 20190156-EI - Petition for a limited proceeding to recover incremental storm restoration costs, capital costs, revenue reduction for permanently lost customers, and regulatory assets related to Hurricane Michael, by Florida Public Utilities Company.

Dear Mr. Teitzman:

Attached for electronic filing in the above-referenced consolidated docket, please find the Rebuttal Testimony of Michael Cassel, the Rebuttal Testimony of Michelle Napier, along with her exhibits MDN-11, MDN-12, and MDN-13, and the Rebuttal Testimony of Patricia Lee, along with her Exhibit PSL-6, submitted in this proceeding on behalf of Florida Public Utilities Company. The Company is submitting additional testimony of P. Mark Cutshaw under separate cover.

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

Sincerely,

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

Enclosure

Before the Florida Public Service Commission

Docket No. 20190156-EI: Petition for Limited Proceeding to Recover Incremental Storm Restoration Costs, Capital Costs, Revenue Reduction for Permanently Lost Customers, and Regulatory Assets related to Hurricane Michael for Florida Public Utilities Company

Prepared Rebuttal Testimony of Michael Cassel

Filed: July 27, 2020

Q. Please state your name and business address.

A. My name is Michael Cassel. My business address is 208 Wildlight Ave., Yulee, FL 32097.

Q. By whom are you employed and what is your position?

A. I am employed by Chesapeake Utilities Corporation ("CUC") as the Assistant Vice President of Regulatory and Governmental Affairs for CUC's business units in Florida, including Florida Public Utilities Company ("FPUC").

Q. Have you previously filed testimony in this proceeding?

A. Yes. I filed direct testimony with our petition initiating this proceeding on August 7, 2019. I filed revised direct testimony when FPUC made its revised filing on March 11, 2020.

Q. What is the purpose of your rebuttal testimony?

A. The purpose of my rebuttal testimony is to respond to the Office of Public Counsel's ("OPC") witness Helmuth Schultz's testimony regarding the procedural and policy aspects of FPUC's request for relief, namely his assertions regarding the applicability of Rule 25-6.0143, Florida Administrative Code, and his mischaracterization of this limited proceeding as a "single-issue" rate case.[1] In that context, I will also respond to his proposed adjustment to the Company's request for recovery of payroll costs to remove costs associated with the Company's employee supplemental compensation paid under our Inclement Weather Policy. In addition, I will address his objections to FPUC's application of the Weighted Average Cost of Capital ("WACC"), and his recommendation to reduce the overall amortization of the Company's recovery request to five years.

Q. Do you agree with any of Witness Schultz's recommendations?

A. Yes. While I disagree with most of Witness Schultz's recommendations, I agree with his recommendation to formalize the tracking documents for contractor costs. As a matter of fact, the Company, as a result of the discovery process in this docket, has incorporated those documents into its hurricane procedures going forward.

Q. Can you summarize your concerns with the other aspects of Mr. Schultz's recommendations?

A. Yes. Witness Schultz's recommendations ignore the real-world difficulty faced by FPUC in the context of this particular storm. His recommendations underestimate and undervalue the nature and degree of the catastrophic

[1] Direct Testimony of Helmuth Schultz III, at page 11.

impacts incurred by FPUC as a result of Hurricane Michael. This was not a typical hurricane nor was the damage, in order of magnitude, faced by FPUC typical. Mr. Schultz seems determined, nonetheless, to make a square peg fit in the round hole.

I. Limited Proceeding

Q. Is Witness Schultz correct in equating FPUC's request to be a "single-issue rate case?"

A. He is – to an extent. He is correct to the extent that his analysis of the procedure contemplated by the Company's filing is correct. However, Witness Schultz appears to either be unfamiliar with, or otherwise ignoring the Florida Public Service Commission's ("Commission") limited proceeding rule, Rule 25-6.0431, Florida Administrative Code, which is the rule pursuant to which FPUC's request for recovery was filed.

Q. What is the purpose of a "limited proceeding" as set forth in that rule?

A. As I understand it, the Rule implements Section 366.076, Florida Statutes, which provides that the Commission:

"may conduct a limited proceeding to consider and act upon any matter within its jurisdiction, including any matter the resolution of which requires a public utility to adjust its rates to consist with the provisions of this chapter."

Q. Is the Company's request filed consistent with the requirements of Rule 25-6.0431, Florida Administrative Code?

A. Yes, it is.

II. Storm Reserve Rule

Q. Do you agree with Witness Schultz's analysis and adjustments to FPUC's request that are based upon his application of Rule 25-6.0143, Florida Administrative Code?[2]

A. No, I do not. His application of that rule, and the Incremental Cost and Capitalization Approach methodology ("ICCA") administered therein, does not apply to FPUC's requests that have initiated this consolidated proceeding. As I explained in my direct testimony, we considered and rejected the approach of seeking recovery through the Storm Reserve pursuant to Rule 25-6.0143, Florida Administrative Code, for several reasons, key among them being that at least 75% of FPUC's Northwest Division's facilities required either replacement or repair and the investment FPUC had to make to restore service to its customers was four times the existing net investment in the Northwest Division. Impacts of this magnitude and the recovery of the associated costs in the traditional manner would have created the following two problematic situations for FPUC.

1. It would necessitate that the Company wait on the recovery of plant and accumulated depreciation until a full rate case could be compiled. This would significantly increase the lag time between incurring the costs and recovery, which the Company concluded would be detrimental to both its ratepayers and investors. Resolution in this traditional manner would also entail the Company including additional costs and additions incurred since

[2] Direct Testimony of Helmuth Schultz III at pgs. 6-7, and 20 – 33.

our 2014 rate case, which would potentially increase the rate impact to our customers at a time when they can least afford it.[3]

2. Recovery of the storm costs over a more traditional two year period would have necessitated an astronomical surcharge that would have created a substantial hardship for our customers that are still trying to recover from the impacts of the hurricane. Frankly, it seemed neither fair nor to make good economic sense.

Q. Has Witness Schultz explained why he believes Rule 25-6.0143, Florida Administrative Code, is applicable?

A. No, he has not. He says only that "recovery of these expenses is governed" by the Rule, and that "FPUC is seeking unusual treatment." [4]

Q. Is FPUC's request unusual?

A. When viewed only within the context of storm cost recovery proceedings for Florida utilities over the past few years, it is different. However, Hurricane Michael and its impact upon FPUC and its customers was on a scale that is not comparable to anything FPUC has ever experienced, and historically, could best be compared with only Florida Power & Light's experience in 1992 with Hurricane Andrew and Gulf Power's experience with Hurricane Ivan in terms of relative scale of damage and cost. Notably, both of those companies are quite a bit larger than FPUC, and both had substantially more

[3] Docket No. 20140025-EI: Application for rate increase by Florida Public Utilities Company.
[4] Direct Testimony of Helmuth Schultz III at pgs. 6-7.

insurance coverage and funded storm reserve accounts at the time that they were impacted by these storms.[5]

III. Appropriate Recovery Mechanism

Q. Witness Schultz argues that FPUC's request to establish a regulatory asset for expenses not recovered through base rates is prohibited as retroactive rate-making. Do you agree?[6]

A. I do not. First, he improperly characterizes the requested recovery as lost revenue and refuses to acknowledge that the Company did incur normal expenses during the period in question. Moreover, he ignores the fact that this same recovery has been afforded another Florida utility in a prior case. In Docket No. 20041291-EI, *In re: Petition for authority to recover prudently incurred storm restoration costs related to 2004 storm season that exceed storm reserve balance, by Florida Power & Light Company*, the Commission considered, among other things, FPL's request to recover normal O&M expenses and agree that these expenses had not been recovered through base rates and should, therefore, be recoverable.[7] Given that the Commission has not considered such treatment to amount to retroactive rate making in the past, there is no basis to reverse course now as it applies to FPUC.

---

[5] See, Order Approving Stipulation and Settlement, issued March 4, 2005, in Docket No. 20050093-EI (stipulated amount in Gulf's reserve account - $27.8 million); and Order Authorizing Self-Insurance and Re-establishing Annual Funding of Storm Damage Reserve, Order No. PSC-1993-0918-FOF-EI, issued June 17, 1993 (FPL T&D Insurance coverage prior to Hurricane Andrew - $350 million per occurrence.)
[6] Direct Testimony of Helmuth Schultz III at pg. 25.
[7] Order No. PSC-05-0937-FOF-E1, p. 16

Q. Witness Schultz raises a similar argument as it relates to the Company's request to recover for the 556 lost customers.[8] Do you agree?

A. No, but for a different reason. Witness Schultz overlooks the fact that, in the context of a rate case, depending upon the test year approved, FPUC's billing determinants would be adjusted to reflect that there are fewer customer accounts across which its cost of service can be allocated. Thus, rates would be designed and assigned across the rate classes assuming each customer is responsible for a higher percentage of the cost of service, which would create upward pressure on the rates. The Company's proposed regulatory asset for lost customers, in effect, adjusts for the same loss of billing determinants during a defined period.

The Company's request is reasonable, consistent with accepted rate-making principles, and cannot simply be dismissed as retroactive rate-making.

Q. Do you agree with Witness Schultz's recommended adjustments to the payroll components of FPUC's request for recovery?[9]

A. No, I do not. Witness Schultz's recommendation to exclude compensation paid under the Company's Inclement Weather Exempt Employee Compensation Policy ("IWP"), as well as IPP bonus, based upon his application of Rule 25-6.0143, Florida Administrative Code, is just wrong for the reasons I have discussed already. FPUC is not seeking recovery through the storm reserve pursuant to that rule. Furthermore, even if the

[8] Id. at pg. 20-22.
[9] Direct Testimony of Helmuth Schultz III at pgs. 29- 31.

Company were seeking recovery pursuant to that rule, the Commission expressly found in Docket No. 20180061-EI that recovery of IWP compensation payments is allowable under the rule.[10]

Q. Were you a participant in Docket No. 20180061-EI?

A. Yes, I appeared as a witness on behalf of FPUC.

Q. Does Witness Schultz acknowledge that the Commission has allowed recovery of IWP payments for FPUC under Rule 25-6.0143, Florida Administrative Code?

A. He does, but he states that the Commission "erred" in that decision.[11]

Q. Did OPC seek reconsideration of the Commission's decision in Order No. PSC-2019-0114-FOF-EI to allow FPUC to recoup compensation payments made pursuant to its IWP?

A. Yes. However, the Commission considered and denied that request by Order No. PSC-2019-0207-FOF-EI, issued May 31, 2019.

Q. Is Docket No. 20180061-EI still open such that it remains subject to appeal?

A. No, to the best of my knowledge, it is not.

---

[10] Order No. PSC-2019-0114-FOF-EI, issued March 26, 2019, in Docket No. 20180061-EI, at p. 4.
[11] Direct Testimony of Helmuth Schultz III at pg. 30.

IV. WACC

Q. Do you agree with Witness Schultz's assessment that FPUC's application of the Weighted Average Cost of Capital ("WACC") to storm restoration costs is inappropriate?

A. No, I disagree with all aspects of his recommendation on this topic.

Q. Please explain your disagreement with Witness Schultz regarding application of the WACC.

A. Certainly. I disagree for two main reasons. First, as discussed earlier in my testimony, the cost to restore service far exceeded the investment in the Company's Northwest Division. Second, FPUC proposes to extend its recovery over a 10-year period, instead of trying to recover over the more traditional 2-year period, as a means to reduce the monthly financial impact on our customers. Given the longer recovery period, our request to apply the WACC to the storm regulatory asset provides an equitable means to balance the cost of recovery between our customers and our investors.

Q. Why is it important to strike that balance?

A. Our parent company, CUC, and FPUC target a capital structure ratio of at least 50% equity to the total of equity and debt. CPK (and inherently, FPUC) have achieved this target over the long-term. Maintaining this balance provides the Company with access to capital for growth and stable solvency to meet financial requirements. When an investment is made, whether it is for new growth or replacement of existing assets, the financial markets anticipate that the Company will maintain this balance given its stated target and financial history. Financing the recovery of a storm of this magnitude with all debt would contradict the Company's long standing financial discipline, approach to financing and stated equity targets, as adopted by the Board of Directors. Not following our stated targets could be viewed negatively by the financial community and therefore, impact the pricing of capital. This could include potential higher borrowing costs, increased debt covenants and restrictions, and overall reduced borrowing capacity. A 10-year recovery at interest only would hurt our financial position. The solution proposed by FPUC in this docket strikes a balance in terms of a manageable monthly bill increase for customers, while enabling the Company to continue sending the appropriate signals to the financial markets in regards to continuation and adherence to its capital structure targets.

Q. Is Witness Schultz's implication that FPUC's shareholders are seeking to "benefit financially from a storm event" through the application of the WACC accurate?[12]

A. No, of course not. Moreover, it is not realistic to expect the Company's shareholders to forgo entirely the <u>opportunity</u> to earn a fair return when a fair solution exists.

Q. Is the application of the WACC to new capital additions, and the proposed regulatory assets appropriate?

A. In the context of a limited proceeding, as it would be in a full rate case, it is. The benefit of a limited proceeding is that it allows a company to seek base

[12] Id. At p. 11.

rate recovery for limited rate base components and expenses that would otherwise be delayed in the development and processing of a full rate case. A limited proceeding also typically is less costly and time consuming, which tends to reduce the amount of processing costs or "rate case expense" than might otherwise be incurred and included in the calculation of the final rate adjustment. The Commission may recall that in 2017, the Company filed a limited proceeding seeking recovery of certain reliability and modernization projects. While that proceeding was ultimately resolved through a settlement agreement, the request the Company made in that proceeding is, procedurally, very similar to FPUC's request in this case.[13] As in that 2017 filing, FPUC has in this proceeding requested that the changes to plant, accumulated depreciation, and the two regulatory assets be treated the same way they would if the Company were to file a rate case now. In a rate case, a return on these components based on WACC would be included when developing the Company's revenue requirement.

Q. Do you agree with Witness Schultz's recommendation to reduce the amortization period for the storm cost recovery regulatory asset to five years?[14]

A. No. Witness Schultz's recommendation to amortize the asset over five years assumes that all of his recommendations are accepted by the Commission. A five year amortization would result in a much higher than typical bill unless

---

[13] *See* Docket No. 20170150-EI -Petition for limited proceeding to include reliability and modernization projects in rate base, by Florida Public Utilities Company, resolved by Order No. PSC-2017-0488-PAA-EI.
[14] Id. At p. 28.

you assume that every one of Witness Schultz's recommendations are accepted, which we urge the Commission not to do.

V. Timing

Q. One last thing. Witness Schultz indicates that FPUC's request is not appropriate, because "it has been years since FPUC filed a base rate case."[15] Do you agree?

A. His statement is accurate but also misleading. The implication from Witness Schultz's testimony is that FPUC has avoided a rate case in order to avoid a full review by the Commission of its revenues and expenses. To the contrary, the Company's last rate case, which was filed in 2014, was resolved by the Commission's approval of a Stipulation and Settlement between OPC and the Company.[16] That approved Stipulation and Settlement included a so-called "stay out" provision, pursuant to which FPUC was not allowed to file another base rate proceeding until after December 2016. In 2017, the Company filed a Petition for Limited Proceeding to Include Reliability and Modernization Projects in its base rates, Docket No. 20170150-EI. That proceeding was also resolved by Commission approval of a Stipulation and Settlement, which included another "stay out" provision that prohibited FPUC from seeking a change in its base rates, whether through interim or final rates, that would become effective prior to January 1, 2020.[17] Thus, while FPUC has not filed a rate case in six years, it has not

[15] Id. At p. 7.
[16] Order No. PSC-2014-0517-S-EI, issued September 29, 2014, in Docket No. 20140025-EI.
[17] Order No. PSC-2017-0488-PAA-EI, issued December 26, 2017, in Docket No. 20170150-EI.

done so pursuant to the express terms of Commission-approved settlement agreements between the Company and OPC.

VI. Conclusion

Q. **Do you have any concluding remarks?**

A. Yes. The magnitude of the impact of Hurricane Michael challenged FPUC to find a way to rebuild its Northwest Division and then to recover the costs of doing so in a way that would minimize the impact on our customers. Given the amounts at issue, that, in and of itself, was a difficult task. Compounding the challenge, the Company's path to recovery also needed to ensure that the Company's financial posture did not deteriorate and that our shareholders continued to have at least the opportunity to earn a fair return on their investment. Through the filings and requested relief we have submitted in this proceeding, we have endeavored to strike that balance and find the most equitable solution. Simply because FPUC's proposal is not the traditional approach does not mean it is the wrong approach. FPUC's request for recovery provides the right approach to address the impacts of an extraordinary storm. As such, we urge the Commission to reject Witness Schultz's arguments and proposed adjustments.

Q. Does this conclude your rebuttal testimony?

A. Yes, it does.

Before the Florida Public Service Commission

Docket No. 20190156-EI: Petition for Limited Proceeding to Recover Incremental Storm Restoration Costs, Capital Costs, Revenue Reduction for Permanently Lost Customers, and Regulatory Assets related to Hurricane Michael for Florida Public Utilities Company

Prepared Rebuttal Testimony of Michelle D. Napier

Filed: July 27, 2020

I. POSITION, QUALIFICATIONS, AND PURPOSE

Q. Please state your name and business address.

A. My name is Michelle D. Napier. My business address is 1635 Meathe Drive, West Palm Beach, Florida 33411.

Q. By whom are you employed and in what capacity?

A. I am employed by Florida Public Utilities Company ("FPUC" or "Company") as Manager of Regulatory Affairs.

Q. Have you previously filed testimony in this proceeding?

A. Yes. I filed direct testimony with our petition initiating this proceeding on August 7, 2019. I filed revised direct testimony when FPUC made its revised filing on March 11, 2020.

Q. What is the purpose of your rebuttal testimony?

A. The purpose of my rebuttal testimony is to address the concerns the Office of Public Counsel ("OPC") Witness Schultz has raised with regard to the Company's calculations of various aspects of its requests for recovery in this proceeding, particularly issues that he has identified as arising from my exhibits on direct testimony. I will also respond to a number of other financial and accounting arguments he has raised, including: his issues with the Company's request to establish regulatory assets for unrecovered operations and maintenance ("O & M") costs and for lost customers; his representation of the Company's earnings posture; and his assertions that the Company's calculations include double recovery. I will also briefly touch on his adjustments to payroll expense. I will defer to FPUC Witness Patricia Lee as it relates to Witness Schultz's assertions regarding the Company's proposed regulatory asset related to the negative component of the accumulated depreciation reserve caused by assets retired prematurely in the wake of Hurricane Michael. Likewise, FPUC Witness Mark Cutshaw will address Witness Schultz's arguments as they relate to the outside contractor costs incurred. I will, however, address Witness Schultz's assertions that some of those costs lacked documentary support.

Q. Are you sponsoring any exhibits with your rebuttal Testimony?

A. Yes. I am sponsoring Exhibits MDN-11, MDN-12, and MDN-13. Exhibit MDN-11 shows an adjustment we propose to our filing and MDN-12 shows the revisions necessary to our filing as a result of this adjustment and another adjustment sponsored by Witness Patricia Lee in Exhibit PSL-5. Exhibit MDN-13 is our September 2019 Surveillance Report.

Q. Would granting FPUC's request result in a "double recovery" on the retired plant that is already being recovered in base rates?[1]

A. After consideration of Witness Schultz's arguments on this point, we revisited the Company's filing to ensure all potential double recoveries had been eliminated. As a result, we determined that Witness Schultz had identified an issue as to one aspect of our filing. The adjustment to plant for the retirements and the adjustment to accumulated depreciation for the retirements result in an offset. Although this was done to comply with the FERC chart of accounts, we have determined that the net book value of the retired assets, on which we earn a return through base rates, were not actually eliminated in our filing. Exhibit MDN-11 provides the calculation of the amount determined. Also, we have identified $274,873 relating to cost of removal in the Regulatory Asset for Accumulated Depreciation that is already being recovered through depreciation in base rates. FPUC Witness Lee will discuss this in her testimony. The regulatory asset calculation is revised on Exhibit MDN-12 page 6. Exhibit MDN-12 provides the revisions to my original Exhibit MDN-1 necessary to compute the revenue requirement calculation. These changes result in a reduction of the revenue requirement by $146,671 or 1.2% of the final filing.

Q. On Exhibit HWS-2, Schedule C, Witness Schultz reduced FPUC's interest on MDN-4 from $1,591,279 to $1,363,432. Do you agree with this adjustment?

[1] Direct Testimony of Helmuth Schultz III at pgs. 16-17.

A. No, I do not for several reasons. First, as stated on MDN-4, the interest computed on MDN-4 was only for the 15-month period from October 2018 to December 2019 since FPUC assumed that when recovery began in January 2020, the requested return would be based on Weighted Average Cost Capital ("WACC"). We assume that since recovery began in January 2020, Witness Schultz is amortizing the storm costs from January 2020 thru December 2024. Calculation of interest on only the storm costs on MDN-4 at the 3.6% weighted cost of debt rate, used by Witness Schultz on Exhibit HWS-2, Schedule A, through December 2024 results in interest of $5,144,624. This same calculation, with all of Witness Schultz adjustments to MDN-4, amounts to $4,626,170. This is substantially higher than the $1,363,432 on Schedule C of his Exhibit HWS-2. It appears that Witness Schultz only based this interest on FPUC's calculation, which was calculated through December 2019 after his adjustments. It does not appear that he calculated any interest for the five years that he is proposing as the amortization period. Since the Company is requesting recovery over 10 years beginning in January 2020, if we had filed for interest only for the entire period from October 2018 thru December 2029, the interest included on MDN-4 would have been significantly higher than $5 million.

Q. Are there concerns with Witness Schultz's interest calculations?

A. Yes. The concerns with Witness Schultz's interest calculations are as follows:

1. There is no calculation to support his interest amount provided.

2. Witness Schultz said he was going to amortize the costs over 5 years but did not indicate in his testimony whether he started calculating interest using October 2018 or January 2020 when interim rates went into effect. I understand, however, that in his subsequent deposition, he indicated that he used only the October 2018 through December 2019 amount on MDN-4, and then applied his adjustments to reduce that amount.[2] We are otherwise unable to confirm whether his calculation includes interest back to October 2018.

3. He does not provide his calculation without his adjustments.

4. The interest he proposes is significantly understated.

5. Approval of the Limited Proceeding portion of FPUC's request along with changing to a 5-year amortization for "traditional" storm costs will significantly increase customers' rates. In the Company's revised filing, I provided Exhibit MDN-9 which calculated a storm surcharge using the traditional storm methodology with a 2-year recovery period. My Exhibit MDN-10 then compared the residential typical bill from our filing to the alternate scenario. This exhibit showed an increase in the typical bill of $18.83 per month or 14.15%. We believe granting relief consistent with our request is in the best interest of the Company's customers and balances the interests of the both our customers and shareholders, as discussed further in Witness Cassel's rebuttal testimony.

[2] Deposition of Witness Helmuth Schultz, Transcript pg. (page number pending receipt of transcript).

II. Plant Capitalized and Retirements

Q. Do you agree with his assertion that inclusion of new plant in FPUC's request for recovery is not appropriate?

A. I do not. Witness Schultz claims that plant should not be allowed because if FPUC filed a full rate case, increased plant would be offset with lower operation and maintenance costs that have not been considered. First, I note in particular his example regarding tree trimming expense.[3] However, as explained by FPUC's Witness Cutshaw in his rebuttal testimony, the tree damage caused by Hurricane Michael did not reduce tree trimming expense, nor is it expected to reduce those expenses going forward given the number of severely damaged trees that remain standing, which I understand renders them more susceptible to disease. In addition, transmission and distribution expenses for the electric division increased in 2019 over 2018 and as of May 2020, these costs are higher than in 2019. This is also true for total operating expense. Therefore, we continue to see an increase in expenses, not a decrease as Witness Schultz assumes.

Q. Witness Schultz identified a concern with regard to replaced plant and the amount of retired plant that you reflected on your direct Exhibit MDN-9.[4] Is he correct the amount of retired plant on your exhibit is understated?

---

[3] Id. at pg. 13.
[4] Id. at pg. 18.

A. No. Witness Schultz calculates an estimate of $4 million of retirements by taking the gross value of plant multiplied by the estimated 10% of plant replaced. This does not provide an accurate number. First, the cost of the assets have varied over time with additions in later years costing more. Many of these later additions can be expected to have been storm hardened or to meet higher wind loading criteria, and as result, would also be expected to experience fewer storm-related failures. Additions in later years may have been storm hardened and replacement not needed. In addition, Witness Schultz balance for plant of $46,282,784 includes "Other Northwest Division Plant" such as the building, vehicles, and office equipment. Since none of these items were retired, they distort his calculation of an average retirement amount. The Company's retirement amount was based on the quantities and original cost of the plant retired. The booked amounts were reviewed in detail by an outside consultant who reviewed every entry at my direction and under my supervision. Witness Schultz makes this estimate without any detail review of the actual data.

III. Lost Customer Regulatory Asset

Q. What issues do you have Witness Schultz's arguments regarding the Company's request to establish and recover a regulatory asset for lost customers?

A. I have a few. First, based upon the revised amount of lost customers from our initial filing to our revised filing, he suggests that the number of lost customers could continue to decrease.[5] On this issue, it seems he has overlooked the fact that the Company's request pertains to a time certain with a definitive end point. The Company's revision of the number of lost customers from its August 2019 filing, which reflected an estimate of 779 customers, to its revised filing of March 2020, which reflects 556 customers at November 2019, is indicative of the Company's initial projections and final determinations following the end of 2019. The response to Citizen's Production of Documents ("POD") No. 33 supports this response with the status by customer. The Company's request for a regulatory asset to recover for lost customers was specific to the period October 2018 through December 2019. While the Company expects the customer numbers to eventually rebound, given FPUC's size, the number of lost customers for this defined period following Hurricane Michael represents a relevant percentage of the Company's overall customer base, which altered whether the Company's base rates could actually recover the Company's cost to serve.

Q. Witness Schultz states that FPUC did not provide a log of lost customers, do you agree?

A. As explained in our response to the OPC's Interrogatory 44, the original number of customers was determined by our Customer Care department based on statements from the customers that they were permanently disconnected due to the storm. As provided in the response to OPC's POD No. 33, the revised filing was prepared using actual customer data

[5] Id. At pg. 20.

through October 2019 with estimates for September to December 2019 based on operations reports of customers being brought back on service. The Company's response to this request did contain a list of disconnected customer accounts with notes on whether service was expected to be reinstated.

V. Unrecovered O&M Expense Asset

Q. Do you agree with Witness Schultz's argument that FPUC's earnings surveillance report for December 2018 indicates that FPUC fully recovered its O&M expenses for the period October – November 2018?[6]

A. No. After billing cancellations were done, FPUC had an operating loss for the October through December 2018 period. In addition, use of the December 2018 surveillance report is not reasonable. This return includes nine months of data that occurred before the storm. As shown on Exhibit MDN-13, the September 2019 report, which reports the 12-month period after the storm, shows a return on common equity of 1.61% out of an allowed range of 9.25% to 11.25%. This return is based on amounts without the inclusion of the amounts on MDN-4. If the average balance at that time was included, FPUC would have been earning a .21% return on equity.

[6] Id. at pg. 24.

VI. Payroll Expense

Q. Is FPUC's inclusion of payroll expense in its request consistent with the Commission's decisions in Docket No. 20180061-EI?

A. Yes, as discussed more fully in the Rebuttal Testimony of Witness Cassel.

Q. Were the bonus payments of $24,703 that Witness Schultz refers to and adjusts storm costs for on Exhibit HWS-2 included in the net storm costs on MDN-4?

A. No, the bonus payments were removed in the reduction made for capitalized costs since they were charged as part of the plant overhead and included in the plant addition work orders. None of this amount was included in the $41,337,757 of costs on MDN-4. While the Company is ultimately pursuing relief through this limited proceeding, in accordance with Rule 25-6.0431, F.A.C., our calculation of storm costs as set forth on MDN-4 was made consistent with the requirements of Rule 25-6.0143, F.A.C. Therefore, the bonus payment costs are included in the limited proceeding request, rather than in the storm costs regulatory asset.

VII. Contractor Costs

Q. Do you agree with Witness Schultz's statement that FPUC's "capitalization of costs is somewhat misleading"?[7]

A. No. On MDN-4, FPUC appropriately used the word capitalized costs to refer to capital work orders that were debited to balance sheet accounts for plant in service and accumulated depreciation for cost of removal and

[7] Id. at pg. 34.

thus removed from the "traditional" storm recovery costs reported in accordance with Rule 25-6.0143, F.A.C.

Q. Did FPUC provide incomplete information or documentation in response to OPC's discovery requests in this docket regarding contractor costs?[8]

A. No. To the contrary, FPUC provided numerous invoices and analysis in its responses. Witness Schultz implies that FPUC prepared the summaries of contractor costs included in the response to Citizen's POD No. 4, which was due to a data request response as opposed to a prior review of the costs. This is not accurate. The type of data shown on Exhibit HWS-6 page 4 was not prepared specifically for OPC's discovery request. However, since POD 4 requested only invoices over $25,000, the Excel summaries shown on Exhibit HWS-6 pages 1 to 3, and 5 to 15 were edited in order to reconcile to the detail that OPC did request. FPUC provided a contractor summary which was done before the discovery process in response to Citizen's POD No. 14. This summary included all invoices for each contractor at that time, including those under $25,000. In addition, FPUC provided a detailed schedule of all contractor costs in the general ledger in response to Citizen's Interrogatory No. 2. This schedule was later updated for the revised filing in March, 2020, and provided as revised responses to OPC's discovery requests. Lastly, at the request of the OPC, FPUC re-input data from every contractor invoice into

[8] Id. at pg. 44.

a format provided by OPC which detailed each contractor employee's time by day and each piece of equipment along with any other costs. The Public Service Commission audit staff also did a separate audit of all filing differences between the original and the revised filing with no resulting findings.

Q. Witness Schultz indicates a concern regarding his inability to review line clearing contractor invoices below $25,000.[9] Did OPC request invoices from FPUC below that threshold through discovery?

A. No, they did not. The Citizen's POD 4 and 6 requested detail for contractor costs over $25,000 so only invoices over $25,000 were provided. However, as previously mentioned, we did provide general ledger detail for invoices under $25,000 and the Excel spreadsheets requested by OPC for each contractor in detail by day by contractor employee and piece of equipment which did include the invoices under $25,000.

Q. Did FPUC verify invoices for line clearing contractors that were below the $25,000 threshold?

A. Yes, all invoices were reviewed by operations personnel and by a financial analyst. In addition, the PSC financial audit requested several invoices below $25,000. The two PSC audit reports did not have any findings disagreeing with our costs.

---

[9] Id. at pg. 49.

Q. Did Witness Schultz request supporting documentation for the $166,469 Gunster projected costs?

A. No, he did not. However, the Public Service Commission auditors did request support for this item and it was provided in the response to Document Request 4.1 along with projected accounting consulting and temporary labor to prepare documents for the Office of Public Counsel. There were no findings in their report that the backup was insufficient.

VIII. Logistics

Q. Witness Schultz discussed generators being charged to logistics costs that should have been capitalized. Were generators purchased and charged to logistics?

A. No. There were costs for rental of two large generators used to provide power to a hotel and campground so that we could house the contractors during restoration. These generators were large and would have been extremely expensive to purchase. These costs should not have been capitalized.

Q. Is Witness Schultz correct that FPUC did not provide supporting documentation for the increase in logistics costs?

A. No, he is not. First, the response to the OPC's Interrogatory No. 276 summarized the changes between the original and the revised filing. Most of the difference in logistics related to Hurricane Dorian. A small amount related to corrections of accruals and late invoices. The detail of all costs including Hurricane Dorian was provided in the updated response to

Citizen's Interrogatory No. 2. Again, the PSC financial auditors reviewed these costs in their second audit in this docket and no findings were included in the report to dispute the charges.

IX. Capitalization

Q. Do you agree with Witness Schultz's recommendations regarding memorialization of capitalization policy?[10]

A. Yes. As it so happens, the Company was already in the process of establishing new plant procedures as part of a new software/fixed assets project and is incorporating additional procedures related to storm plant additions in that project as well as updating FPUC's hurricane procedures.

Q. Does this conclude your rebuttal testimony?

A. Yes, it does.

[10] Id. at pgs.52-53 .

Exhibit NO.____MDN-11
Calculation to Remove NBV
Page 1 of 1

	Last Rate Case in Base Rates	Filing	Difference in Base Rates
Plant being retired	$ 1,429,415.73	$ (1,429,416.00)	
Accumulated Depreciation	$ (269,017.92)	$ 572,916.00	
Reg Asset		$ 856,500.00	
Rate base that earns a return	$ 1,160,397.81	$ -	$ 1,160,397.81
Depreciation Expense	$ 66,561.67	$ (57,451.53)	$ 9,110.13
Change in Revenue Requirement			$ (98,891.00)

Retirement Plant in Service:	Account	Subaccount	Retirement	Dep. Rate at Rate Case	Depreciation	Filed Dep. Rate	Depreciation Expense Removed From Filing	Accumulated Depreciation at 10/14
Meters	1010	370E	$ (43,190)	3.70%	$ 1,598	3.7%	$ (1,598.01)	$ (17,143.44)
Distribution Station Equipment	1010	362E			$ -	2.4%	$ -	$ -
Distribution Poles	1010	364E	$ (368,538)	4.10%	$ 15,110	3.9%	$ (14,372.96)	$ 18,629.32
OH Conductors	1010	365E	$ (273,349)	4.10%	$ 11,207	3.4%	$ (9,293.86)	$ (64,687.86)
Underground Conductors	1010	367E			$ -	3.2%	$ -	$ -
Overhead Transformers	1010	368H	$ (234,350)	4.30%	$ 10,077	4.0%	$ (9,374.02)	$ (103,466.64)
Buried Transformers	1010	368B	$ (4,189)	4.30%	$ 180	4.0%	$ (167.57)	$ 882.88
Overhead Services	1010	369H			$ -	3.6%	$ -	$ (10,592.00)
Underground Services	1010	369B	$ (19,674)	4.00%	$ 787	3.6%	$ (708.26)	$ 3,738.06
Install on Cust. Premises-AG	1010	371A	$ (470,834)	5.70%	$ 26,838	4.5%	$ (21,187.54)	$ (92,400.92)
Street Lighting	1010	373A	$ (15,292)	5.00%	$ 765	4.9%	$ (749.31)	$ (3,977.32)
			$ (1,429,416)		$ 66,562		$ (57,451.53)	$ (269,017.92)

Florida Public Utilities Company
Limited Proceeding Electric
Estimated First Year Revenue Requirements

Docket No.	**20190156-EI**
Exhibit	**MDN-12 Page 1 of 6**
Schedule	**A-1**

Revenue Requirement Calculation		**Projected 2020**
3 Jurisdictional Adjusted Rate Base	$	65,826,586
4 Rate of Return on Rate Base		6.2700%
5 Required Jurisdictional Net Operating Income (Line 2 x 3)	$	4,127,327
6 Required Net Operating Income (Line 4)	$	4,127,327
7 Jurisdictional Adjusted Net Operating Income (Loss)	$	(4,701,539)
8 Net Operating Income Deficiency (Excess) (Line 5-6)	$	8,828,866
9 Net Operating Income Multiplier		1.3295
10 Revenue Requirement (Line 7 x 8)	$	11,737,977
As filed	$	11,884,648
Decrease	$	(146,671)

Schedule B-1 | ADJUSTED RATE BASE FOR INCREMENTAL ADDITIONS REQUESTED IN THE LIMITED PROCEEDING | Exhibit MDN-12 Page 2 of 6 Docket No.: 20190156-EI

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities Company

EXPLANATION: Provide a schedule of the 13-month average adjusted rate base for the test year, the prior year and the most recent historical year. Provide the details of all adjustments on Schedule B-2.

Type of Data Shown: Projected Test Year Ended December 31, 2020

Line No.		(1) Plant in Service	(2) Accumulated Provision for Depreciation and Amortization	(3) Net Plant in Service (1 - 2)	(4) CWIP - No AFUDC	(5) Plant Held For Future Use	(6) Nuclear Fuel - No AFUDC (Net)	(7) Net Utility Plant	(8) Working Capital Allowance	(9) Other Rate Base Items	(10) Total Rate Base
1	System Per Books (B-3)	18,573,911	224,576	18,798,487	-	0	0	18,798,487			18,798,487
2	Jurisdictional Factors	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
3	Jurisdictional Per Books	18,573,911	224,576	18,798,487	-	-	-	18,798,487	-	-	18,798,487
4	Adjustments:										
5	Regulatory Asset for Storm Costs							-	39,270,870		39,270,870
6	Regulatory Asset Lost Customers							-	454,003		454,003
7	Regulatory Asset Exp. Not Recovered							-	885,855		885,855
8	Regulatory Asset for Unrecovered A/D							-	7,577,768		7,577,768
9	Remove Retirements in Base Rates	(1,429,416)	269,018	(1,160,398)				(1,160,398)			(1,160,398)
10											-
11											-
12											-
13											-
14											
15											
16											
17											
18											
19											
20											
21											
22											
23											
24											
25											
26											
27											
28	Total Adjustments	(1,429,416)	269,018	(1,160,398)	-	-	-	(1,160,398)	48,188,496	-	47,028,098
29											
30	Adjusted Jurisdictional	17,144,495	493,594	17,638,089	-	-	-	17,638,089	48,188,496	-	65,826,586

Schedule B-2

RATE BASE ADJUSTMENTS
FOR INCREMENTAL ADDITIONS REQUESTED IN THE LIMITED PROCEEDING

Exhibit MDN-12 Page 3 of 6
Docket No.: 20190156-EI

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: Florida Public Utilities Company
0

EXPLANATION: List and explain all proposed adjustments to the 13-month average rate base for the test year,the prior year and the most recent historical year. List the adjustments included in the last case that are not proposed in the current case and the reasons for excluding them.

Type of Data Shown:
Projected Test Year Ended December 31, 2020

Line No.	Adjustment Title	Reason for Adjustment or Omission (provide supporting schedule)	(1) Adjustment Amount	(2) Jurisdictional Factor	(3) Jurisdictional Amount of Adjustment (1) x (2)
1	PLANT				
2	Commission Adjustment:				
3	NONE IN STORM PROJECTS ON MFR B-1				
4					
5	Company Adjustment:				
6	Remove Plant Retired in Base Rates		$ (1,429,416)	100%	$ (1,429,416)
7					
8	ACCUMULATED DEPRECIATION				
9	Commission Adjustment:				
10	NONE IN STORM PROJECTS ON MFR B-1				
11					
12	Company Adjustment:				
13	Remove Plant Retired in Base Rates		$ 269,018	100%	$ 269,018
14					
15	WORKING CAPITAL				
16	Commission Adjustment:				
17	NONE IN STORM PROJECTS ON MFR B-1				
18					
19	Company Adjustment:				
20	Regulatory Asset for Storm Costs (MDN-4)		$ 39,270,870	100%	$ 39,270,870
21	Regulatory Asset for Lost Customers (MDN-5)		$ 454,003	100%	$ 454,003
22	Regulatory Asset for Expenses Not Recovered During Restoration (MDN-6)		$ 885,855	100%	$ 885,855
23	Regulatory Asset for Unrecovered Accumulated Depreciation Cost of Removal Net of Salvage (MDN-7)		$ 7,577,768	100%	$ 7,577,768
24	Total		$ 48,188,496	100%	$ 48,188,496

Schedule C-1 (2020)

ADJUSTED JURISDICTIONAL NET OPERATING INCOME
FOR INCREMENTAL ADDITIONS REQUESTED IN THE LIMITED PROCEEDING

Exhibit MDN-12 Page 4 of 6
Docket No.: 20190156-EI

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES
0

EXPLANATION: Provide the calculation of jurisdictional net operating income for the test year, the prior year and the most recent historical year.

Type of Data Shown:
Projected Test Year Ended December 31, 2020

Line No.		(1) Total Company Per Books	(2) Non-Electric Utility	(3) Total Electric (1)-(2)	(4) Jurisdictional Factor	(5) Jurisdictional Amount (3)x(4)	(6) Jurisdictional Adjustments (Schedule C-2)	(7) Adjusted Jurisdictional Amount (5)+(6)
1	Operating Revenues:							
2	Sales of Electricity	(335,172)		(335,172)	100%	(335,172)		(335,172)
3	Other Operating Revenues	-		-	100%	-		-
4	Total Operating Revenues	(335,172)		(335,172)	100%	(335,172)		(335,172)
5								
6	Operating Expenses:							
7	Operation & Maintenance:							
8	Fuel	-		-	100%	-		-
9	Purchased Power	-		-	100%	-		-
10	Other	-		-	100%	-		-
11	Depreciation	687,570		687,570	100%	687,570		687,570
12	Amortization	5,229,182		5,229,182	100%	5,229,182		5,229,182
13	Decommissioning Expense	-		-	100%	-		-
14	Taxes Other Than Income Taxes	371,720		371,720	100%	371,720		371,720
15	Income Taxes	(1,922,104)		(1,922,104)	100%	(1,922,104)		(1,922,104)
16	Deferred Income Taxes-Net	-		-	100%	-		-
17	Investment Tax Credit-Net	-		-	100%	-		-
18	(Gain)/Loss on Disposal of Plant	-		-	100%	-		-
19	Total Operating Expenses	4,366,367		4,366,367	100%	4,366,367	-	4,366,367
20								
21	Net Operating Income	(4,701,539)		(4,701,539)	100%	(4,701,539)	-	(4,701,539)
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								

Schedule C-2 (2017)

NET OPERATING INCOME ADJUSTMENTS
FOR INCREMENTAL ADDITIONS REQUESTED IN THE LIMITED PROCEEDING

Exhibit MDN-12 Page 5 of 6
Docket No.: 20190156-EI

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA PUBLIC UTILITIES

EXPLANATION: Provide a schedule of net operating income adjustments for the test year, the prior year and the most recent historical year. Provide the details of all adjustments on Schedule C-3.

Type of Data Shown:
Projected Test Year Ended December 31, 2020

Line No.		Jurisdictional Amount Schedule C1 Col. 5	Adjustments (1) Amortization of Regulatory Assets	(2) Interest Synchronization	(3) Remove Depreciation Dif. In Base Rate			Total Adjustments	Adjusted Jurisdictional NOI
1	Operating Revenues:								
2	Sales of Electricity	(335,172)						-	(335,172)
3	Other Operating Revenues		-						-
4	Total Operating Revenues	(335,172)	-	-	-	-	-	-	(335,172)
5									
6	Operating Expenses:								
7	Operation & Maintenance:								
8	Fuel (nonrecoverable)	-						-	-
9	Purchased Power	-						-	-
10	Other							-	-
11	Depreciation	696,680			(9,110)			(9,110)	687,570
12	Amortization		5,229,182					5,229,182	5,229,182
13	Decommissioning Expense	-						-	-
14	Taxes Other Than Income Taxes	371,720						-	371,720
15	Income Taxes	(344,184)	(1,282,300)	(295,620)				(1,577,920)	(1,922,104)
16	Deferred Income Taxes-Net							-	-
17	Investment Tax Credit-Net	-						-	-
18	(Gain)/Loss on Disposal of Plant	-						-	-
19									
20	Total Operating Expenses	724,215	3,946,882	(295,620)	(9,110)	-	-	3,642,152	4,366,367
21									
22	Net Operating Income	(1,059,387)	(3,946,882)	295,620	9,110	-	- -	(3,642,152)	(4,701,539)
23									
24									
25									
26									
27									
28									
29									
30									
31									
32									
33									
34									

Florida Public Utilities Company
Regulatory Asset for the Negative Component of the Accumulated Depreciation Reserve
Limited Proceeding Electric

Docket No.: 20190156-EI

	Account Title	Act. #	Act. #	Cost of Removal	Salvage	Undepreciated Retirement	Total Regulatory Remove Cost of Removal in Base Rates	Asset Requested
Cost of Removal:								
FE18164697R	Meters	1080	370E	$ 148,142		$ 17,657	$ (4,319)	$ 161,480
FE18504697R	Distribution Station Equipment	1080	362E	$ 83		$ -		$ 83
FE18554697R	Distribution Poles	1080	364E	$ 5,202,220		$ 311,525	$ (165,842)	$ 5,347,902
FE18564697R	OH Conductors	1080	365E	$ 1,796,949	$ (25,992)	$ 159,390	$ (95,672)	$ 1,834,675
FE18584697R	Underground Conductors	1080	367E	$ 41,273		$ -		$ 41,273
FE18594697R	Transformers	1080	368H	$ 6,710	$ (29,267)	$ 81,494	$ (47,708)	$ 11,230
FE18604697R	Buried Transformers	1080	368B	$ 318		$ 4,189		$ 4,507
FE18614697R	Overhead Services	1080	369H	$ 247,574		$ (10,592)	$ (6,886)	$ 230,096
FE18624697R	Underground Services	1080	369B			$ 19,674		$ 19,674
FE18634697R	Install on Cust. Premises-AG	1080	371A	$ 5,816		$ 265,786	$ 47,083	$ 318,685
FE18654697R	Street Lighting	1080	373A	$ 1,144		$ 7,377	$ (1,529)	$ 6,992
				$ 7,450,230	$ (55,259)	$ 856,500	$ (274,873)	$ 7,976,598

13-Month Average Computation:	Regulatory Asset	Accumulated Amortization	Net Regulatory Asset	Amortization Expense at 10 Years
Dec-19	$ 7,976,598		$ 7,976,598	
Jan-20	$ 7,976,598	$ (66,472)	$ 7,910,127	$ 66,472
Feb-20	$ 7,976,598	$ (132,943)	$ 7,843,655	$ 66,472
Mar-20	$ 7,976,598	$ (199,415)	$ 7,777,183	$ 66,472
Apr-20	$ 7,976,598	$ (265,887)	$ 7,710,712	$ 66,472
May-20	$ 7,976,598	$ (332,358)	$ 7,644,240	$ 66,472
Jun-20	$ 7,976,598	$ (398,830)	$ 7,577,768	$ 66,472
Jul-20	$ 7,976,598	$ (465,302)	$ 7,511,297	$ 66,472
Aug-20	$ 7,976,598	$ (531,773)	$ 7,444,825	$ 66,472
Sep-20	$ 7,976,598	$ (598,245)	$ 7,378,353	$ 66,472
Oct-20	$ 7,976,598	$ (664,717)	$ 7,311,882	$ 66,472
Nov-20	$ 7,976,598	$ (731,188)	$ 7,245,410	$ 66,472
Dec-20	$ 7,976,598	$ (797,660)	$ 7,178,938	$ 66,472
Total	$ 103,695,776	$ (5,184,789)	$ 98,510,988	$ 797,660
13-Month Average	$ 7,976,598	$ (398,830)	$ 7,577,768	

FLORIDA PUBLIC UTILITIES COMPANY
ELECTRIC
RATE OF RETURN REPORT SUMMARY
September 30, 2019

SCHEDULE 1

I. AVERAGE RATE OF RETURN (JURISDICTIONAL)	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
NET OPERATING INCOME	$ 1,778,517	$397,354	$2,175,871	$0	$2,175,871
AVERAGE RATE BASE	$128,279,999	($34,815,626)	$93,464,373	$0	$93,464,373
AVERAGE RATE OF RETURN	1.39%		2.33%		2.33%

II. YEAR-END RATE OF RETURN (JURISDICTIONAL)	(1)	(2)	(3)	(4)	(5)
NET OPERATING INCOME	$1,778,517	$439,765	$2,218,282	$0	$2,218,282
YEAR-END RATE BASE	$147,654,438	($43,182,634)	$104,471,804	$0	$104,471,804
YEAR-END RATE OF RETURN	1.20%		2.12%		2.12%

III. REQUIRED RATES OF RETURN
AVERAGE CAPITAL STRUCTURE
(FPSC ADJUSTED BASIS)

LOW	5.25%
MIDPOINT	5.63%
HIGH	6.02%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIE WITH AFUDC	1.39
B. TIE WITHOUT AFUDC	1.39
C. AFUDC TO NET INCOME	0.00
D. INTERNALLY GENERATED FUNDS	6.34
E. LTD TO TOTAL INVESTOR FUNDS	28.11
F. STD TO TOTAL INVESTOR FUNDS	24.22
G. RETURN ON COMMON EQUITY	1.61

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Mike Cassel
AVP- Regulatory Affairs

Signature

Date

FLORIDA PUBLIC UTILITIES COMPANY
ELECTRIC
AVERAGE RATE OF RETURN
#REF!
RATE BASE

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	$144,101,938	($62,981,138)	$81,120,800	$0	$13,675,361	$94,796,161	$33,483,838	$128,279,999
FPSC ADJUSTMENTS:								
			$0			$0		$0
1) ELIM. NON UTILITY PLANT	$0	$0	$0			$0		$0
2) REGULATORY LIAB - PENSION AMORT			$0			$0	$0	$0
3) REGULATORY ASSET - LITIGATION COSTS			$0			$0	$0	$0
4) REMOVE STORM COST-INTEREST EARNING			$0			$0	($28,448,104)	($28,448,104)
5) ELIMINATE NET UNDERRECOVERY						$0	($6,310,434)	($6,310,434)
6) DEFERRED RATE CASE EXPENSE						$0	($57,088)	($57,088)
TOTAL FPSC ADJUSTMENTS	$0	$0	$0	$0	$0	$0	($34,815,626)	($34,815,626)
FPSC ADJUSTED	$144,101,938	($62,981,138)	$81,120,800	$0	$13,675,361	$94,796,161	($1,331,788)	$93,464,373
FLEX RATE REVENUES	$0	$0	$0	$0	$0	$0	$0	$0
ADJUSTED FOR FLEX RATE REVENUES	$144,101,938	($62,981,138)	$81,120,800	$0	$13,675,361	$94,796,161	($1,331,788)	$93,464,373
PROFORMA ADJUSTMENTS								
TOTAL PRO FORMA ADJUSTMENTS	$0	$0	$0	$0	$0	$0	$0	$0
PRO FORMA ADJUSTED	$144,101,938	($62,981,138)	$81,120,800	$0	$13,675,361	$94,796,161	($1,331,788)	$93,464,373

FLORIDA PUBLIC UTILITIES COMPANY
ELECTRIC
AVERAGE RATE OF RETURN
#REF!
INCOME STATEMENT

SCHEDULE 2
PAGE 2 OF 2

	(1) OPERATING REVENUES	(2) O & M FUEL EXPENSE	(3) O & M OTHER	(4) DEPREC. & AMORTIZATION	(5) TAXES OTHER THAN INCOME	(6) INCOME TAXES CURRENT	(7) D.I.T. (NET)	(8) I.T.C. (NET)	(9) GAIN/LOSS ON DISPOSITION	(10) TOTAL OPERATING EXPENSES	(11) NET OPERATING INCOME
PER BOOKS	$ 82,060,308	$ 55,378,813	$ 13,412,519	$ 4,275,573	$ 6,806,068	$ 408,318				$ 80,281,791	$ 1,778,517
FPSC ADJUSTMENTS:											
1) INCOME TAX SYNCH ADJUSTMENT						$ (259,512)				$ (259,512)	$ 259,512
2) ELIMINATE FUEL REVENUES AND EXPENSES	$ (54,991,904)	$ (54,756,354)			$ (42,549)	$ (48,916)				$ (54,847,819)	$ (144,085)
3) ELIMINATE CONSERVATION	$ (611,902)	$ (622,459)			$ (440)	$ 2,787				$ (620,112)	$ 8,210
4)NON-UTILITY DEPRECIATION EXPENSE				$ -		$ -				$ -	$ -
5) ELIMINATE REVENUE RELATED TAXES (FRANCHISE & GROSS RECEIPTS)	$ (5,500,479)				$ (5,500,479)	$ -				$ (5,500,479)	$ -
6) ELIMINATE 5% OF ECONOMIC DEVELOPMENT			$ (1,493)			$ 378				$ (1,115)	$ 1,115
7) OUT OF PERIOD ADJ	$ 633,674			$ 207,697		$ 107,964				$ 315,661	$ 318,014
8) REMOVE STORM 2017 ADJUSTMENT	$ (542,394)		$ (375,000)	$ (106,566)		$ (15,417)				$ (496,983)	$ (45,411)
						$ -				$ -	$ -
						$ -				$ -	$ -
TOTAL FPSC ADJUSTMENTS	$ (61,013,005)	$ (55,378,813)	$ (376,493)	$ 101,131	$ (5,543,468)	$ (212,716)	$ -	$ -	$ -	$ (61,410,359)	$ 397,354
FPSC ADJUSTED	$ 21,047,303	$ -	$ 13,036,026	$ 4,376,704	$ 1,262,600	$ 196,102	$ -	$ -	$ -	$ 18,871,432	$ 2,175,871
PRO FORMA ADJUSTMENTS											
										$ -	$ -
TOTAL PRO FORMA ADJUSTMENTS	$ -	$ -	$ -	$ -	$	$ -	$ -	$ -	$ -	$ -	$ -
PRO FORMA ADJUSTED	$21,047,303	$0	$13,036,026	$4,376,704	$1,262,600	$196,102	$0	$0	$0	$18,871,432	$2,175,871

FLORIDA PUBLIC UTILITIES COMPANY
ELECTRIC
YEAR END RATE OF RETURN
#REF!
RATE BASE

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	$154,537,200	($61,220,581)	$93,316,619	$0	$5,209,972	$98,526,592	$49,127,847	$147,654,438
FPSC ADJUSTMENTS:								
1) ELIM. NON UTILITY PLANT	$0	$0	$0			$0		$0
2) OUT OF PERIOD LITIGATION ADJ						$0	$0	$0
3) ELIMINATION OF UNDER-RECOVERY						$0	($4,137,687)	($4,137,687)
4) DEFERRED RATE CASE EXPENSE						$0	($8,151)	($8,151)
5) REMOVE STORM COST-INTEREST EARNING						$0	($39,036,796)	($39,036,796)
TOTAL FPSC ADJUSTMENTS	$0	$0	$0	$0	$0	$0	($43,182,634)	($43,182,634)
FPSC ADJUSTED	$154,537,200	($61,220,581)	$93,316,619	$0	$5,209,972	$98,526,592	$5,945,213	$104,471,804
COMP RATE ADJ REVENUES	$0	$0	$0	$0	$0	$0	$0	$0
ADJUSTED FOR COMP RATE ADJ REVENUE	$154,537,200	($61,220,581)	$93,316,619	$0	$5,209,972	$98,526,592	$5,945,213	$104,471,804
PROFORMA ADJUSTMENTS								
								$0
								$0
TOTAL PRO FORMA ADJUSTMENTS	$0	$0	$0	$0	$0	$0	$0	$0
PRO FORMA ADJUSTED	$154,537,200	($61,220,581)	$93,316,619	$0	$5,209,972	$98,526,592	$5,945,213	$104,471,804

SCHEDULE 3
PAGE 2 OF 2

FLORIDA PUBLIC UTILITIES COMPANY
ELECTRIC
YEAR END RATE OF RETURN
#REF!
INCOME STATEMENT

	(1) OPERATING REVENUES	(2) O & M FUEL EXPENSE	(3) O & M OTHER	(4) DEPREC. & AMORTIZATION	(5) TAXES OTHER THAN INCOME	(6) INCOME TAXES CURRENT	(7) D.I.T. (NET)	(8) I.T.C. (NET)	(9) GAIN/LOSS ON DISPOSITION	(10) TOTAL OPERATING EXPENSES	(11) NET OPERATING INCOME
PER BOOKS	$ 82,060,308	$ 55,378,813	$ 13,412,519	$ 4,275,573	$ 6,806,068	$ 408,818				$ 80,281,791	$ 1,778,517
FPSC ADJUSTMENTS:											
1) INCOME TAX SYNCH ADJUSTMENT						$ (301,923)				$ (301,923)	$ 301,923
2) ELIMINATE FUEL REVENUES AND EXPENSES	$ (54,991,904)	$ (54,756,354)			$ (42,549)	$ (48,916)				$ (54,847,819)	$ (144,085)
3) ELIMINATE CONSERVATION	$ (611,902)	$ (622,459)			$ (440)	$ 2,787				$ (620,112)	$ 8,210
4)NON-UTILITY DEPRECIATION EXPENSE				$ -		$ -				$ -	$ -
5) ELIMINATE REVENUE RELATED TAXES (FRANCHISE & GROSS RECEIPTS)	$ (5,500,479)				$ (5,500,479)	$ -				$ (5,500,479)	$ -
6) ELIMINATE 5% OF ECONOMIC DEVELOPMENT			$ (1,493)			$ 378				$ (1,115)	$ 1,115
7) OUT OF PERIOD ADJ	$ 633,674		$ -	$ 207,697		$ 107,964				$ 315,661	$ 318,014
8) REMOVE STORM 2017 ADJUSTMENT	$ (542,394)		$ (375,000)	$ (106,566)		$ (15,417)				$ (496,983)	$ (45,411)
						$ -				$ -	$ -
						$ -				$ -	$ -
TOTAL FPSC ADJUSTMENTS	$ (61,013,005)	$ (55,378,813)	$ (376,493)	$ 101,131	$ (5,543,468)	$ (255,126)	$ -	$ -	$ -	$ (61,452,770)	$ 439,765
FPSC ADJUSTED	$ 21,047,303	$ -	$ 13,036,026	$ 4,376,704	$ 1,262,600	$ 153,692	$ -	$ -	$ -	$ 18,829,022	$ 2,218,282
PRO FORMA ADJUSTMENTS											
										$ -	$ -
TOTAL PRO FORMA ADJUSTMENTS	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
PRO FORMA ADJUSTED	$21,047,303	$0	$13,036,026	$4,376,704	$1,262,600	$153,692	$0	$0	$0	$18,829,022	$2,218,282

FLORIDA PUBLIC UTILITIES COMPANY
ELECTRIC
CAPITAL STRUCTURE
September 30, 2019
FPSC ADJUSTED BASIS

SCHEDULE 4

Exhibit MDN-13
Surveillance Reports
Page 6 of 6

AVERAGE	PER BOOKS	ADJUSTMENTS NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	LOW POINT COST RATE (%)	LOW POINT WEIGHTED COST (%)	MIDPOINT COST RATE (%)	MIDPOINT WEIGHTED COST (%)	HIGH POINT COST RATE (%)	HIGH POINT WEIGHTED COST (%)
COMMON EQUITY	$52,382,457		$52,382,457	($16,595,929)		$35,786,528	38.29%	9.25%	3.54%	10.25%	3.92%	11.25%	4.31%
LONG TERM DEBT - CU	$28,907,607		$28,907,607	(9,158,574)		$19,749,034	21.13%	3.85%	0.81%	3.55%	0.81%	3.85%	0.81%
SHORT TERM DEBT	$26,617,735		$26,617,735	(8,433,091)		$18,184,644	19.46%	3.41%	0.66%	3.41%	0.66%	3.41%	0.66%
LONG TERM DEBT - FC	$1,982,282		$1,982,282	(628,031)		$1,354,251	1.45%	11.39%	0.16%	11.39%	0.16%	11.39%	0.16%
SHORT TERM DEBT - REFINANCED LTD	$0		$0	$0		$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	$3,261,175		$3,261,175			$3,261,175	3.49%	2.39%	0.08%	2.39%	0.08%	2.39%	0.08%
DEFFERED INCOME TAXES	$15,128,743		$15,128,743			$15,128,743	16.19%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	$0		$0			$0	0.00%	5.17%	0.00%	5.55%	0.00%	5.94%	0.00%
TOTAL AVERAGE	$128,279,999	$0	$128,279,999	($34,815,626)	$0	$93,464,373	100.00%		5.25%		5.63%		6.02%

YEAR-END	PER BOOKS	ADJUSTMENTS NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	LOW POINT COST RATE (%)	LOW POINT WEIGHTED COST (%)	MIDPOINT COST RATE (%)	MIDPOINT WEIGHTED COST (%)	HIGH POINT COST RATE (%)	HIGH POINT WEIGHTED COST (%)
COMMON EQUITY	$60,211,056		$60,211,056	(20,021,970)	$0	$40,189,085	38.47%	9.25%	3.56%	10.25%	3.94%	11.25%	4.33%
LONG TERM DEBT - CU	$42,891,064		$42,891,064	(14,262,557)		$28,628,507	27.40%	2.95%	0.81%	2.95%	0.81%	2.95%	0.81%
SHORT TERM DEBT	$24,598,671		$24,598,671	(8,179,791)		$16,418,880	15.72%	4.15%	0.65%	4.15%	0.65%	4.15%	0.65%
LONG TERM DEBT - FC	$2,160,153		$2,160,153	(718,315)		$1,441,837	1.38%	11.32%	0.16%	11.32%	0.16%	11.32%	0.16%
SHORT TERM DEBT - REFINANCED LTD	$0		$0			$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	$3,327,141		$3,327,141			$3,327,141	3.19%	2.34%	0.07%	2.34%	0.07%	2.34%	0.07%
DEFFERED INCOME TAXES	$14,466,354		$14,466,354			$14,466,354	13.85%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	$0		$0			$0	0.00%	5.18%	0.00%	5.56%	0.00%	5.95%	0.00%
TOTAL YEAR-END	$147,654,438	$0	$147,654,438	($43,182,634)	$0	$104,471,804	100.00%		5.25%		5.63%		6.02%

<u>Before the Florida Public Service Commission</u>

Docket No. 20190156-EI: <u>Petition for Limited Proceeding to Recover Incremental Storm Restoration Costs, Capital Costs, Revenue Reduction for Permanently Lost Customers, and Regulatory Assets related to Hurricane Michael for Florida Public Utilities Company</u>

Prepared Rebuttal Testimony of Patricia Lee

<u>Filed: July 27, 2020</u>

I. <u>POSITION, QUALIFICATIONS, AND PURPOSE</u>

Q. Please state your name and business address.

A. My name is Patricia Lee. My address is 116 SE Villas Court, Unit C, Tallahassee, Florida 32303.

Q. Have you previously filed testimony in this proceeding?

A. I have filed Direct and Rebuttal Testimony in this proceeding as it pertains to Florida Public Utilities Company's ("FPUC") Depreciation Study being addressed in the consolidated Docket No. 20190174-EI. I have not previously filed testimony in Dockets Nos. 20190155-EI and 201900156-EI pertaining to FPUC's requests to establish regulatory assets or its petition for a limited proceeding to recover storm costs, respectively.

Q. What is the purpose of your rebuttal testimony?

A. The purpose of my testimony is to respond to certain assertions of the Office of Public Counsel's ("OPC") Witness Helmuth Schultz III.

Specifically, I will discuss Witness Schultz's assertions regarding the Company's proposed regulatory asset related to the negative component of the accumulated depreciation reserve caused by assets retired prematurely and the associated removal costs in the wake of Hurricane Michael.

Q. Are you sponsoring any rebuttal exhibits?

A. Yes. I am sponsoring Exhibit PSL-6 that shows an adjustment necessary so that only incremental net salvage costs associated with the Hurricane Michael retirements are included in the Regulatory Asset for Accumulated Depreciation.

II. SPECIFIC AREAS OF DISPUTE

Q. Witness Schultz argues that FPUC's request for a regulatory asset on retired plant would result in "double recovery." Is he correct?[1]

A. He is partially correct. We have determined that the accumulated depreciation regulatory asset should also be reduced by the depreciation expenses associated with the net salvage component of the currently approved depreciation rates. This would be the "normal" net salvage in the absence of a storm. We have identified $274,873 in "normal" net salvage that is currently being recovered through base rates. By making this adjustment, the net salvage costs included in the regulatory asset are only incremental.

[1] Direct Testimony of Helmuth Schultz III at pg. 14-16.

As shown on FPUC's response to Staff's Fourth Set of Interrogatories, Attachment 30a, FPUC adjusted accumulated depreciation for each account affected by the Hurricane Michael net unrecovered retired investments and net salvage costs (costs of removal less gross salvage) to reflect the transfer to the requested regulatory asset.

Q. How was the "normal" net salvage adjustment determined?

A. The calculation for the adjustment to the Regulatory Asset for Accumulated Depreciation of $274,873 is shown on my Exhibit PSL-6. This amount was determined by multiplying the negative net salvage component of the current Commission approved depreciation rates by the retiring investment for each affected account. With this adjustment, only the incremental net salvage costs are included in the Regulatory Asset. By making this adjustment, there is no double recovery and only the incremental costs are included in the regulatory asset.

Q. Do you agree with Witness Schultz's removal of the $8,251,471 Regulatory Asset related to Accumulated Depreciation because of the issue of double recovery?

A. Only to the extent of the $274,873, which has been corrected in Exhibit MDN-12, page 6, of Witness Napier's testimony.

Q. Can you explain why FPUC is not recovering its costs if establishment of a regulatory asset for this is not approved?

A. There are two components to the request, so I will address each separately.

The first relates to the cost of removal. In accordance with FERC, these costs were charged to Accumulated Depreciation. This debit to Accumulated Depreciation results in an increase to rate base. A return on this increase to rate base would be earned the next time base rates are set. However, because of the extensive damage, these costs were large and created a significant imbalance in accumulated depreciation. If the imbalance is not addressed, it will remain in rate base and continue to earn a return. However, FERC accounting instructions provide special treatment for extraordinary property losses such as these by allowing for the establishment of a regulatory asset for the costs associated with the loss. In following this procedure, rate base will gradually decrease as the regulatory asset is amortized and recovered through the revenue requirement associated with the regulatory asset requested in this filing. Because of the financial impact of the costs of the storm, FPUC is requesting recovery of these costs now instead of at its next rate case.

The second part of the regulatory asset relates to unrecovered depreciation on the assets retired. FERC accounting instructions require a credit to plant and a debit to accumulated depreciation for the book cost of the assets retired. Under group depreciation, when assets retire, the book cost of those assets are debited to accumulated depreciation and credited to plant. In other words, the assets are assumed to be fully depreciated whether or not they have lived, i.e. actually been in service, the average life of the group. The theory is that there are assets within the group or account that will have shorter "lives" than, as well as assets that will have longer "lives" , the average life of the group. Nonetheless, on average, the group will experience the average life. In contrast, when the retirement is caused by an extraordinary event, the undepreciated amount associated with the retirement entry also creates a negative component in the reserve. This unrecovered cost represents plant no longer providing service and equates to positive rate base upon which the company will earn a return. Since FPUC will no longer recover these costs through depreciation, it will not recover these costs conceivably until the affected accounts cease to exist unless some corrective treatment is made. Accordingly, the same treatment as the cost of removal should be made.

Imbalances in accumulated depreciation are usually addressed and amortized in depreciation studies. In these cases, amortization expenses are incurred without commensurate increased in revenues until the next rate case. However, the extraordinary storm loss in this instance and significant net unrecovered costs of over $8 million, the financial impact is such that FPUC is requesting revenue recovery of these costs now rather than waiting until its next rate case.

Q. Why should these costs be approved as a Regulatory Asset in the Limited Proceeding rather than addressed in FPUC's current depreciation study?[2]

---

[2] Id. at pg. 16.

A. Approval of the Regulatory Asset in the Limited Proceeding will provide the revenues for the additional expenses associated with the Regulatory Asset amortization. Certainly, whether this course or through the depreciation study, these costs should be recovered. If recovered through a depreciation study, the costs would typically be amortized as fast as economically practicable as these costs do not represent plant serving the public. The difference is that the amortization in a depreciation study will only provide the depreciation expenses. There will be no recovery on the debit balance in accumulated depreciation or the additional depreciation expense unless there are commensurate revenues awarded either in a subsequent rate case or otherwise addressed in this proceeding.

Q. Witness Schultz recommends that the cost of removal/unrecovered retired plant regulatory asset should be excluded from this proceeding, resulting in a reduction to rate base and a reduction to depreciation expense and amortization expense. Do you agree with Witness Schultz's conclusion?[3]

A. No, I do not. The net unrecovered costs resulting from the premature retirement of assets due to Hurricane Michael relate to plant no longer providing service. This unrecovered or negative component in the reserve equates to positive rate base upon which the company will earn a return until corrected. If these unrecovered costs remain in the individual accounts, the negative reserve components will remain until the accounts

---

[3] Id. at pg. 19.

themselves expire, which could conceivably not be until the company itself no longer exists. Future rate payers should not have to continue paying for plant for which they are not receiving service. Therefore, it is necessary to remove this amount from accumulated depreciation and move it to a regulatory asset and amortize it so that it will be removed completely from rate base when the amortization is completed. In this manner, rate base is corrected as fast as economically practicable.

Q. As it relates to the change to depreciation expense, does Witness Schultz make any recommendations as to how that should be addressed in the context of FPUC's Depreciation Study, which is also before the Commission in this proceeding?

A. No, he does not.

Q. If the Commission accepts Witness Schultz's recommendation, will it necessitate changes to FPUC's Depreciation Study?

A. Yes, it will.

Q. Do you have any recommendations as to how that might best be handled?

A. If the Commission accepts Witness Schultz's recommendation (which I urge it not to do), the reserve position for the affected accounts will need to be restated in the depreciation study to reflect the inclusion of the unrecovered net costs previously transferred to the regulatory asset. In this case, the remaining life depreciation rates would also need to be recalculated reflecting the restated reserve positions. While the reserve deficiencies caused by the extraordinary removal costs would be recovered in the future over the remaining life of each affected account, as long as these accounts remain viable, the remaining lives will continue to change. Alternatively, the net unrecovered costs could be amortized over a similar time period as was originally recommended for the regulatory asset, 10 years. Regardless, without commensurate revenues awarded in a rate case or in this proceeding, there will be no recovery of the additional depreciation expenses.

III. CONCLUSION

Q. Do you have any concluding remarks?

A. Yes, the Commission should approve FPUC's requested regulatory asset for the net unrecovered costs associated with Hurricane Michael (premature retirements plus net salvage costs) adjusted by the "normal" salvage expense in accumulated depreciation.

Q. Does this conclude your testimony?

A. Yes, it does.

Incremental Net Salvage

Exhibit ______PSL-6

Calculation of Adjustment of Depreciation Asset

		2018 Retirements	2019 Retirements	Total Retirements	Approved Net Salvage	Normal Net Salvage
	364	341,423	27,115	368,538	(45)	(165,842)
	365	266,277	7,071	273,348	(35)	(95,672)
	368	234,326	4,214	238,540	(20)	(47,708)
	369	19,674		19,674	(35)	(6,886)
	370	19,403	23,786	43,189	(10)	(4,319)
	371		470,834	470,834	10	47,083
	373		15,292	15,292	(10)	(1,529)
Total		881,103	548,312	1,429,415		(274,873)

Normal net salvage - Hurricane Michael net salvage =
274,873 - 7,394,970 = $7,120,097

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the rebuttal testimony and exhibits of Witnesses Cassel, Napier, and Lee on behalf of FPUC has been furnished by Electronic Mail to the following parties of record this 27th day of July, 2020:

Florida Public Utilities Company Mike Cassel 208 Wildlight Ave. Yulee, FL 32097 mcassel@fpuc.com	Ashley Weisenfeld Rachael Dziechciarz Bianca Lherisson Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399 aweisenf@psc.state.fl.us rdziechc@psc.state.fl.us blheriss@psc.state.fl.us
	Office of Public Counsel* J.R. Kelly/Patricia Christensen/Mireille Fall-Fry c/o The Florida Legislature 111 West Madison Street, Room 812 Tallahassee, FL 32399-1400 Kelly.jr@leg.state.fl.us christensen.patty@leg.state.fl.us fall-fry.mireille@leg.state.fl.us

By: Beth Keating

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