

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for establishment of regulatory assets for expenses not recovered during restoration for Hurricane Michael, by Florida Public Utilities Company.

DOCKET NO. 20190155-EI

In re: 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.

DOCKET NO. 20190156-EI

In re: Petition for approval of 2019 depreciation study by Florida Public Utilities Company.

DOCKET NO. 20190174-EI

DATED: August 17, 2020

COMMISSION STAFF'S PREHEARING STATEMENT

Pursuant to Order No. PSC-2020-0121-PCO-EI, filed April 21, 2020, the Staff of the Florida Public Service Commission files its Prehearing Statement.

1. All Known Witnesses

Witness

Subject

Debra M. Dobiac

Commission Staff's Financial Audit Report of Florida Public Utilities Company Storm Cost Recovery for Hurricanes Michael and Dorian

Carl Vinson

Commission Staff's Review of Florida Public Utilities Company's Storm Cost Management and Payment Processing Practices for Hurricane Michael

2. All Known Exhibits

Exhibit

Title

DMD-1

Auditor's Report – Storm Cost Recovery Audit Hurricanes Michael and Dorian (dated January 24, 2020)

DMD-2	Auditor's Report – Storm Cost Recovery Audit Hurricanes Michael and Dorian (dated June 1, 2020)
CV-1	Review of Florida Public Utilities Company's Storm Cost Management and Payment Processing Practices for Hurricane Michael

3. Staff's Statement of Basic Position

Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions stated herein.

4. Staff's Position on the Issues

ISSUE 1: In undertaking storm-recovery activities associated with Hurricanes Michael and Dorian, were the total payroll expenses FPUC requested for storm recovery reasonable and prudent, in incurrence and amount? If not, what amount should be approved?

POSITION: Staff has no position at this time.

ISSUE 2: In undertaking storm-recovery activities associated with Hurricanes Michael and Dorian, were the contractor costs FPUC included for storm recovery reasonable and prudent, in incurrence and amount? If not, what amount should be approved?

POSITION: Staff has no position at this time.

ISSUE 3: In connection with the restoration of service associated with Hurricanes Michael and Dorian, were the vehicle and fuel costs FPUC included for storm recovery reasonable and prudent, in incurrence and amount? If not, what amount should be approved?

POSITION: Staff has no position at this time.

ISSUE 4: In connection with the restoration of service associated with Hurricanes Michael and Dorian, were the material and supply costs FPUC included for storm recovery reasonable and prudent, in incurrence and amount? If not, what amount should be approved?

POSITION: Staff has no position at this time.

ISSUE 5: In connection with the restoration of service associated with Hurricanes Michael and Dorian, were the logistic costs FPUC included for storm recovery reasonable and prudent, in incurrence and amount? If not, what amount should be approved?

POSITION: Staff has no position at this time.

ISSUE 6: In connection with the restoration of service associated with Hurricanes Michael and Dorian, were the equipment rental costs FPUC included in storm recovery reasonable and prudent, in incurrence and amount? If not, what amount should be approved?

POSITION: Staff has no position at this time.

ISSUE 7: Should the Commission approve FPUC's request to create a regulatory asset related to incremental storm costs?

POSITION: Staff has no position at this time.

ISSUE 8: Should the Commission approve FPUC's request to create a regulatory asset related to revenues not collected and costs not properly allocated as a result of a reduction in customers in the last two months of 2018 and all of 2019?

POSITION: Staff has no position at this time.

ISSUE 9: Should the Commission approve FPUC's request to create a regulatory asset related to normal expenses included in the Company's current base rates but, as a result of Hurricane Michael, that FPUC asserts was unrecovered?

POSITION: Staff has no position at this time.

ISSUE 10: Should the Commission approve FPUC's request to create a regulatory asset related to the negative component of the accumulated depreciation reserve caused by assets retired prematurely due to Hurricane Michael and removal costs associated with those retirements?

POSITION: Staff has no position at this time.

ISSUE 11: What is the appropriate carrying charge or rate of return, if any, to be applied to the reasonable and prudent amount of storm-related restoration costs that FPUC is entitled to recover?

POSITION: Staff has no position at this time.

ISSUE 12: What is the reasonable and prudent amount of storm-related costs FPUC is entitled to recover?

POSITION: Staff has no position at this time.

ISSUE 13: Should the Commission approve FPUC's proposed tariff and associated charge as filed associated with Hurricanes Michael and Dorian? If not, should FPUC be

required to file tariffs and charges in conformance with the Commission determination in this matter?

POSITION: Staff has no position at this time.

ISSUE 14: If applicable, how should any under-recovery or over-recovery collected from the interim rate approved by the Commission effective January 2020 be handled?

POSITION: Staff has no position at this time.

ISSUE 15: What are the appropriate depreciation parameters, resulting rates, amortization schedules, and reserve allocations?

POSITION: Staff has no position at this time.

ISSUE 16: What should be the implementation date for newly authorized depreciation rates and amortization schedules?

POSITION: Staff has no position at this time.

ISSUE 17: Should the current amortization and flow back of accumulated deferred income taxes be revised to reflect the approved depreciation rates and amortization schedules?

POSITION: Staff has no position at this time.

ISSUE 18: Should these dockets be closed?

POSITION: Staff has no position at this time.

5. Stipulated Issues

There are no stipulated issues at this time.

6. Pending Motions

Commission staff has no pending motions at this time.

7. Pending Confidentiality Claims or Requests

Commission staff has not pending confidentiality claims or requests at this time.

8. Objections to Witness Qualifications as an Expert

Commission staff has no objections to witness qualifications at this time.

9. Compliance with Order No. PSC-2020-0121-PCO-EI

Staff has complied with all requirements of the Order Establishing Procedure entered in this docket.

Respectfully submitted this 17th day of August, 2020.

/s/ Rachael Dziechciarz

RACHAEL DZIECHCIARZ

STAFF COUNSEL

FLORIDA PUBLIC SERVICE COMMISSION

Gerald L. Gunter Building

2540 Shumard Oak Boulevard

Tallahassee, Florida 32399-0850

Telephone: (850) 413-6212

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for establishment of regulatory assets for expenses not recovered during restoration for Hurricane Michael, by Florida Public Utilities Company.

DOCKET NO. 20190155-EI

In re: 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.

DOCKET NO. 20190156-EI

In re: Petition for approval of 2019 depreciation study by Florida Public Utilities Company.

DOCKET NO. 20190174-EI

DATED: August 17, 2020

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that STAFF'S PREHEARING STATEMENT has been filed with the Office of Commission Clerk and that a true copy has been furnished to the following by electronic mail this 17th day of August, 2020:

Beth Keating
Gregory Munson
GUNSTER, YOAKLEY & STEWART, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301-1839
bkeating@gunster.com
gmunson@gunster.com

J.R. Kelly
Patricia Christensen
Mireille Fall-Fry
OFFICE OF PUBLIC COUNSEL
c/o The Florida Legislature
111 W. 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

CERTIFICATE OF SERVICE
DOCKET NOS. 20190155-EI, 20190156-EI, 20190174-EI
PAGE 2

Mike Cassel
FLORIDA PUBLIC UTILITIES
COMPANY/CHESAPEAKE
1750 S. 14th Street, Suite 200
Fernandina Beach, FL 32034
mcassel@fpuc.com

/s/ Rachael Dziechciarz

RACHAEL DZIECHCIARZ
STAFF COUNSEL
FLORIDA PUBLIC SERVICE COMMISSION
Gerald L. Gunter Building
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850
Telephone: (850) 413-6212