

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

September 15, 2020

VIA E-PORTAL

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

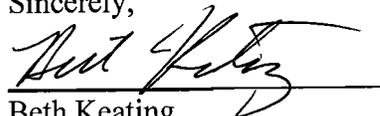
Re: Docket No. 20190156-EI - Petition for a limited proceeding to recover incremental storm restoration costs, capital costs, revenue reduction for permanently lost customers, and regulatory assets related to Hurricane Michael, by Florida Public Utilities Company.

Dear Mr. Teitzman:

Attached for electronic filing, please find FPUC's response to Staff's Third (Fourth) Data Request regarding the proposed Settlement and Stipulation.

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

MEK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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 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 approval of 2019 depreciation study by Florida Public Utilities Company.

DOCKET NO. 20190174-EI

DATED: September 15, 2020

FPUC'S RESPONSE TO STAFF'S THIRD (FOURTH) SETTLEMENT DATA REQUEST

1. Please refer to Paragraph 2 on Page 4 of the Settlement Agreement. Please provide FPUC's "actual blended debt rate" used to calculate the interest and explain how the blended debt cost rate was determined. In your response, please provide the calculation(s) used to derive the blended debt cost rate.

COMPANY RESPONSE: Please refer to the attached file "Data Request 4.1 and 4.2".

2. Please refer to FPUC's Response to Staff's Second Settlement Agreement Data Request (Third Data Request overall for the above-referenced dockets), filed on September 10, 2020. On the attached schedule labeled Storm Cost Recovery for Incremental Expenses, MDN-4, page 1 of 1, line 29, the company includes Interest on Unamortized Reserve Deficiency Balance thru 12/25 of \$6,348,065. Please explain how the interest was calculated and provide the calculations used to determine the interest expense.

COMPANY RESPONSE: Please refer to the attached file "Data Request 4.1 and 4.2".

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 15th day of September, 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 rdziehc@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
 Gunster, Yoakley & Stewart, P.A.
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	2020	2021	2022	2023	2024	2025
Storm Balance	\$ 39,746,479					
Adjustment	\$ (300,000.00)					
Storm Balance	\$ 39,446,479	\$ 32,872,066	\$ 26,297,653	\$ 19,723,240	\$ 13,148,826	\$ 6,574,413
January	\$ 38,898,611	\$ 32,324,198	\$ 25,749,785	\$ 19,175,372	\$ 12,600,959	\$ 6,026,545
February	\$ 38,350,743	\$ 31,776,330	\$ 25,201,917	\$ 18,627,504	\$ 12,053,091	\$ 5,478,678
March	\$ 37,802,876	\$ 31,228,463	\$ 24,654,049	\$ 18,079,636	\$ 11,505,223	\$ 4,930,810
April	\$ 37,255,008	\$ 30,680,595	\$ 24,106,182	\$ 17,531,768	\$ 10,957,355	\$ 4,382,942
May	\$ 36,707,140	\$ 30,132,727	\$ 23,558,314	\$ 16,983,901	\$ 10,409,488	\$ 3,835,074
June	\$ 36,159,272	\$ 29,584,859	\$ 23,010,446	\$ 16,436,033	\$ 9,861,620	\$ 3,287,207
July	\$ 35,611,405	\$ 29,036,991	\$ 22,462,578	\$ 15,888,165	\$ 9,313,752	\$ 2,739,339
August	\$ 35,063,537	\$ 28,489,124	\$ 21,914,711	\$ 15,340,297	\$ 8,765,884	\$ 2,191,471
September	\$ 34,515,669	\$ 27,941,256	\$ 21,366,843	\$ 14,792,430	\$ 8,218,016	\$ 1,643,603
October	\$ 33,967,801	\$ 27,393,388	\$ 20,818,975	\$ 14,244,562	\$ 7,670,149	\$ 1,095,736
November	\$ 33,419,934	\$ 26,845,520	\$ 20,271,107	\$ 13,696,694	\$ 7,122,281	\$ 547,868
December	\$ 32,872,066	\$ 26,297,653	\$ 19,723,240	\$ 13,148,826	\$ 6,574,413	\$ 0

Return Calculated at 4.08%

January	\$ 133,187	\$ 110,834	\$ 88,481	\$ 66,128	\$ 43,775	\$ 21,422
February	\$ 131,324	\$ 108,971	\$ 86,618	\$ 64,265	\$ 41,912	\$ 19,559
March	\$ 129,461	\$ 107,108	\$ 84,755	\$ 62,402	\$ 40,049	\$ 17,696
April	\$ 127,598	\$ 105,245	\$ 82,892	\$ 60,539	\$ 38,186	\$ 15,833
May	\$ 125,736	\$ 103,383	\$ 81,030	\$ 58,677	\$ 36,324	\$ 13,971
June	\$ 123,873	\$ 101,520	\$ 79,167	\$ 56,814	\$ 34,461	\$ 12,108
July	\$ 122,010	\$ 99,657	\$ 77,304	\$ 54,951	\$ 32,598	\$ 10,245
August	\$ 120,147	\$ 97,794	\$ 75,441	\$ 53,088	\$ 30,735	\$ 8,382
September	\$ 118,285	\$ 95,932	\$ 73,579	\$ 51,226	\$ 28,873	\$ 6,520
October	\$ 116,422	\$ 94,069	\$ 71,716	\$ 49,363	\$ 27,010	\$ 4,657
November	\$ 114,559	\$ 92,206	\$ 69,853	\$ 47,500	\$ 25,147	\$ 2,794
December	\$ 112,696	\$ 90,343	\$ 67,990	\$ 45,637	\$ 23,284	\$ 931
Total	\$ 1,475,298	\$ 1,207,062	\$ 938,826	\$ 670,590	\$ 402,354	\$ 134,118
Interest thru 12/19						\$ 4,828,249
Total Interest						\$ 1,519,816
						\$ 6,348,065

	(K)	(L)
Blended Rate Calculation	Rate Base	Interest
Per Revised Filing Schedule D1a STD	\$ 9,603,124.00	\$ 345,712.00
Per Revised Filing Schedule D1a LTD	\$ 18,606,226.00	\$ 710,758.00
Per Revised Filing Schedule D1a LTD FPU	\$ 1,305,964.00	\$ 146,660.00
	\$ 29,515,314.00	\$ 1,203,130.00
Average Rate		4.08%