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February 5, 2021

**BY E-PORTAL**

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

***Re: Docket No. 20210000-OT - Proposed Rule 25-7.0143, Florida Administrative Code  
(F.A.C.) – Use of Accumulated Provisions Accounts - Statement of Estimated Regulatory  
Costs Staff Data Request***

Dear Mr. Teitzman:

Attached for filing, please find Florida Public Utilities Company's Responses to Staff's First Data Request in the above-referenced matter.

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

Sincerely,

*s/Beth Keating* \_\_\_\_\_  
Beth Keating  
Gunster, Yoakley & Stewart, P.A.  
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MEK

cc: Adria Harper (Office of General Counsel)  
Sevini Guffey ( Division of Economics)

## **SERC Data Request to Investor-Owned Natural Gas Utilities**

### **Rule 25-7.0143 Use of Accumulated Provision Accounts 228.1, 228.2, and 228.4., F.A.C.**

- 1) Proposed new Section (1)(a) seek to establish Account No. 228.1 and require the natural gas utility to maintain a schedule of risks with description of property, character of risks and accrual rates used. Considering these new requirements, what is the estimated annual regulatory costs, including transactional costs to your utility to comply?

**Company Response:** The Company already has a schedule that details a majority of this information, so the Company believes costs to include remaining items will be minimal.

- 2) Proposed new Section (1)(c) requires the utility to establish a separate subaccount within Account No. 228.1 which is designated to cover storm related damages...” and maintain supporting entries by each storm event. What is the estimated annual regulatory cost, including transactional costs to the utility to comply with this proposed new requirement?

**Company Response:** The costs for storm events are currently documented separately. Therefore, the estimated annual regulatory costs related to the proposed new requirement will be minimal.

- 3) Proposed new Section (1)(e)1, related to contract labor, states that the utility may adjust historical monthly contract labor costs charged to operation and maintenance expenses and that each adjustment must be accompanied by a detailed explanation of the nature and derivation of the adjustment. Please provide the annual regulatory costs, including transactional costs to the utility to comply with the proposed requirement.

**Company Response:** At this time, the Company does not foresee having to make any adjustments to historical data. However, other items may be identified at a future time. The Company estimates the cost to review and make these adjustments to be approximately \$2,000 annually.

- 4) Proposed new Section (1)(e)8 allows the utility to adjust historical monthly payroll related costs charged to operation and maintenance expenses and to prepare detailed explanation of the nature and derivation of the adjustment. Please state the estimated annual regulatory costs, including transactional costs to your utility to comply.

**Company Response:** At this time, the Company does not foresee having to make any adjustments to historical data. However, adjustments may be identified in the future. We estimate the cost to review and make these adjustments to be approximately \$10,000 annually.

- 5) Proposed new Section (1)(e)9 allows the utility to adjust historical monthly fuel cost for company and contractor vehicles costs charged to operation and maintenance expenses and to prepare detailed explanation of the nature and derivation of the adjustment. Please state the estimated annual regulatory costs, including transactional costs to your utility to comply.

**Company Response:** At this time, the Company does not foresee having to make any adjustments to historical data. However, adjustments may be identified in the future. FPU estimates the cost to review and make these adjustments to be approximately \$2,000 annually.

- 6) Proposed new language in Section (1)(e)11 states that the utility may adjust historical monthly vegetation management costs specifically related to storm restoration activities, charged to operation and maintenance expenses and that each adjustment shall be accompanied by a detailed explanation of the nature and derivation of the adjustment. Considering this requirement, what are the annual incremental regulatory costs including transactional expenses to your utility to prepare the detailed vegetation management cost adjustments?

**Company Response:** At this time, the Company does not foresee having to make any adjustments to historical data. However, adjustments may be identified in the future. FPU estimates the cost to review and make these adjustments to be approximately \$5,000 annually.

- 7) Proposed new language in Section (1)(e)12 requires the utility to report other costs and expenses not identified in 1 through 11, that are directly and solely attributable to a storm restoration event. What are the estimated annual regulatory, including transactional costs to your utility to collect and report this information to the Commission?

**Company Response:** At this time FPU believes all costs and expenses would have been identified in Sections 1 through 11. However, FPU believes any other costs will be identified during the transaction analysis process and should not generate additional costs.

- 8) Referring to the new proposed language in Section (1)(g), F.A.C., what are the estimated regulatory costs, including transactional costs to the utility to file a petition for the disposition of any costs deferred prior to June 1 of the year following the storm event?

**Company Response:** At this time, the Company does not foresee needing to file a petition to defer costs. However, this could change at a future date. However, the Company anticipates that incremental costs associated could approach \$10,000. This estimated

amount could be more or less depending on the type, significance and number of events that occur.

- 9) What is the estimated regulatory cost, including transactional cost to the utility to file a Storm Damage Self-Insurance Reserve Study with the Commission by January 15, 2021 and at least every 5 years thereafter pursuant to proposed new language in subsection 12(g)2.(1).

**Company Response:** The study is estimated to cost approximately \$50,000. However, since the proposed date of January 15, 2021 has passed, a new date is necessary.

- 10) What are the estimated regulatory costs, including transactional costs to establish new accounts 228.1, 228.2, and 228.4 pursuant to Rule 25-7.0143(1), (2), and (3), F.A.C.?

**Company Response:** These accounts have already been established. There are no additional costs.

- 11) Please state the annual regulatory costs, including transactional costs to your utility to comply with subsection (3) of Rule 25-7.0143, F.A.C.

**Company Response:** At this time FPU hasn't identified any costs that fall under this subsection and therefore have no estimate of cost at this time.

- 12) Please discuss any potential benefits to your utility from the proposed creation of a rule for the accounting of gas utilities' costs that result from storm-related damage.

**Company Response:** The potential benefit is clarity of the types and costs charged which should limit costs being disputed causing a full hearing.