

Writer's Direct Dial Number: (850) 521-1706
Writer's E-Mail Address: bkeating@gunster.com

June 21, 2022

BY ELECTRONIC FILING

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

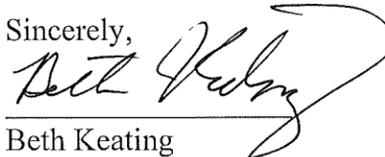
**Re: Docket No. 20220001-EI: Fuel and purchased power cost recovery clause with
generating performance incentive factor.**

Dear Mr. Teitzman:

Attached for filing, please find Florida Public Utilities Company's Responses to Staff's First Data Requests issued to the Company on June 16, 2022.

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,



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

MEK
cc:(Certificate of Service)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost recovery
clause with generating performance incentive
factor. | DOCKET NO. 20220001-EI
DATED: June 21, 2022

FLORIDA PUBLIC UTILITIES COMPANY'S RESPONSES TO STAFF'S FIRST DATA REQUEST ON REQUEST FOR MID-COURSE CORRECTION

Below, please find Florida Public Utilities Company's Responses to Staff's First Data Requests.

1. Please refer to Florida Public Utilities Company's (FPUC or Company) "Petition for Approval of Mid-Course Correction" (MCC Petition), dated June 14, 2022, filed in Docket No. 20220001-EI.¹ Please specify the Company's MCC percentage following the methodology prescribed in Rule 25-6.0424(1)(a), Florida Administrative Code.

Company Response:

The MCC percentage following the methodology prescribed in Rule 25-6.0424 (1)(a), Florida Administrative Code is 28.517%

2. Please specify the exact ranges/beginning and ending dates of FPUC's July, August, and September 2022 billing cycles.

Company Response:

The expected ranges, beginning and ending dates, for FPUC's July, August and September 2022 billing cycles are as follows:

<u>Month</u>	<u>Beginning Date</u>	<u>Ending Date</u>
July 2022	July 7, 2022	August 3, 2022
August 2022	August 4, 2022	September 6, 2022
September 2022	September 7, 2022	October 3, 2022

To clarify, these dates are expected/projected and may change based on unknown and unanticipated conditions that may occur to delay close of the previous months billing cycles.

¹Document No. 03889-2022.

3. Please identify the exact date when the 2022 fuel cost recovery factors, authorized by Order No. PSC- 2021-0442-FOF-EI, began being charged to customers.²

Company Response:

The 2022 fuel recovery factors began being charged to customers with the first billing cycle in January 2022 on January 7, 2022.

4. Please refer to the MCC Petition, Schedule E1-A. Please provide an estimate of the bill impact to a typical residential customer using 1,000 kWh of electricity a month, if the Company were to recover the entire current actual/estimated under-recovery through July 2022 of \$8,471,112 through this MCC proceeding.

Company Response:

In review for this response, we discovered that we inadvertently computed the projected revenues for July 2022 on the new revised rate versus the current rates in effect, which effectively changes the under-recovery from the previously filed \$8,471,112 to \$9,330,463. Please see Revised Exhibit A, Schedule E-1A.

If FPUC recovered the revised under-recovery of \$9,330,463, the estimated bill impact to a typical residential customer using 1,000 kWh a month would experience an increase of \$35.05.

²Order No. PSC-2021-0442-FOF-EI, issued November 30, 2021, in Docket No. 20210001-EI, *In re: Fuel and purchased power cost recovery clause with generating performance incentive factor.*

5. Please refer to the MCC Petition, Schedule E-10. Please provide the bill impacts to typical (i.e., typical based on a conventional or average level of usage) general service (large and small) customers similar to that performed for the residential class shown on this schedule.

Company Response:

Please see attached [Response-Data Request #5 – Typical Bill Impacts] file

6. Please refer to the MCC Petition, Schedule C1. Please specify the source of the monthly interest rates (and if available, the series title, i.e., 30-day commercial paper, Federal Funds Rate, etc.) used in the derivation of the actual true-up shown on this schedule.

Company Response:

The Company uses 30-day commercial paper rate published monthly by the Public Service Commission Division of Accounting and Finance.

7. Please state whether the Company plans on instituting any different processes, procedures, and/or measures related to fuel cost forecasting of its purchase power agreements (PPA) as a result of requiring a mid-course correction of its PPA-related charges. If so, please explain.

Company Response:

No. However there have been extensive discussions with parties related to natural gas pricing and forecasting to determine if there are alternative ways to obtain more favorable natural gas pricing as we move forward. As the PPA agreements in place are heavily natural gas dependent, we will continue to investigate options.

8. Please describe the Company's anticipated process and timeline for notifying its customers of the proposed action it has requested through its MCC Petition. Please also provide copies of any notifications that were previously, or will be, provided to customers regarding the actions requested in the MCC Petition.

Company Response:

FPUC plans to issue a press release before the end of this month informing customers of this petition filed for approval. The press release will include a link to the Company's website for more information on the filing.

FPUC will begin including a message on the customer's bills starting with the first billing cycle of July, on approximately July 7, 2022. The bill message will inform the customers of the proposed increase and include the link to its website for additional information, incorporating the press release and rate comparison.

Once the petition has been approved, the website will be updated with a letter to customers informing them the rates have been approved along with a comparison of current and the new approved rates.

9. Please provide a schedule showing the commodity-only natural gas fuel prices used to develop the Company's currently-authorized fuel cost recovery factors.

Company Response:

Natural gas commodity prices used during the September 2021 filing for the 2022 fuel cost recovery factors was a Gas Index \$/MMBtu of \$2.75 per month for January through December.

10. Please provide a schedule showing the commodity-only natural gas fuel prices used to develop the Company's proposed mid-course fuel cost recovery factors.

Company Response:

Natural gas commodity prices used to develop the Company's proposed mid-course fuel cost recovery factors for the mid-course 2022 fuel cost recovery factors are as follows:

Gas Index \$/MMBtu:

<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
\$4.40	\$4.40	\$4.60	\$4.70	\$4.75	\$4.80	\$4.85	\$4.87	\$4.85	\$4.87	\$4.95	\$5.01

11. Please provide a month-by-month schedule/comparison of the assumed fuel-related PPA costs and actual fuel-related PPA costs for all of 2021, and January through April of 2022.

Company Response:

Please see attached [Response - Data Request #11-Fuel Related Cost Comparison] file.

12. Please generally discuss how changes in market fuel prices, with a focus on natural gas, affect the Company's PPAs. As in, what is the process by which changes in market or fuel prices change the Company's PPA contract pricing.

Company Response:

As shown in the PPA agreement in place, the natural gas commodity pricing is basically a pass through to FPUC which impacts the overall pricing. This commodity pricing and the associated transportation charges represent a significant part of the overall charge.

13. Are any other factors of the Company's existing PPAs driving the need for a MCC, or is the MCC solely related to changes in market fuel prices? If other factors are driving the MCC, please list and explain them.

Company Response:

The necessity for an MCC is solely based on the change in market natural gas prices.

14. Please explain how/why the Company believes its total actual/estimated true-up through July 2022, as shown on Schedule E1-A of the MCC Petition, in the amount of (\$8,471,112), will be "lower" (i.e., less under recovery) than its current true up as reported through the Company's April 2022 A-Schedules in the amount of (\$9,086,858).³

Company Response:

In review for this response, the Company has discovered it inadvertently computed its July 2022 projected revenues and has noted an error in the calculation of the actual/estimated true-up through July 2022, as shown on Schedule E1-A of the MCC Petition. The corrected actual/estimated under-recovery balance for July 2022 is (\$9,330,963), a greater under-recovery than its current true-up as reported through the Company's April 2022 A-Schedules in the amount of (\$9,086,858). The correction does not affect the data for any other Schedule in the MCC Petition. Please see Revised Exhibit A, Schedule E-1A.

³Document No. 03038-2022.

15. Please provide a sample PPA contract (or provision of) detailing how changes in market fuel prices change the cost of the PPA to FPUC.

Company Response:

The Energy Fuel payment portion of FPUC's bill is determined by applying a contractual formula that utilizes the MWh, Heat Rate, and Gas Index to calculate the payment. In the contract, Gas index (GI) is defined as follows:

GI - the daily midpoint price of natural gas (expressed in \$/MMBtu) for the relevant day of delivery of energy for Louisiana-Onshore South Florida Gas, Zone 3, as published in Platt's Gas Daily Price Survey, plus the Florida Gas Transmission ("FGT") fuel loss factor, the FGT average usage charge from the applicable FGT tariff, and a \$[REDACTED]/MMBtu demand charge. In the event that no such price is published for the relevant Delivery Day, then the following shall be used: (a) the arithmetic average of the daily midpoint price (expressed in \$/MMBtu) of the last published price prior to and the next published price after the relevant day of delivery of energy.

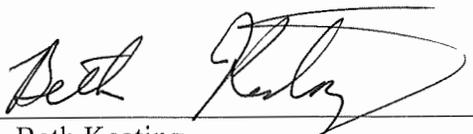
The specific rate is redacted as a confidential contract term and is not being provided at this time as that is not our understanding of what Staff is seeking. In the event staff does need this information, FPUC can provide it separately under a Request for Confidential Classification.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of Florida Public Utilities Company’s Responses to Staff’s Data Requests on Mid-Course Correction request has been furnished by Electronic Mail to the following parties of record this 21st day of June, 2022:

<p>Suzanne Brownless Ryan Sandy Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850 sbrownle@psc.state.fl.us rsandy@psc.state.fl.us</p>	<p>J. Jeffrey Wahlen/Malcolm Means Ausley Law Firm Post Office Box 391 Tallahassee, FL 32302 jwahlen@ausley.com mmeans@ausley.com</p>
<p>Richard Gentry/P. Christensen /S. Morse/Charles Rehwinkel Office of Public Counsel c/o The Florida Legislature 111 W. Madison Street, Room 812 Tallahassee, FL 32399-1400 Gentry.Richard@leg.state.fl.us Rehwinkel.Charles@leg.state.fl.us Christensen.patty@leg.state.fl.us Morse.stephanie@leg.state.fl.us</p>	<p>James W. Brew/Laura Baker Stone Matheis Xenopoulos & Brew, PC Eighth Floor, West Tower 1025 Thomas Jefferson Street, NW Washington, DC 20007 jbrew@smxblaw.com lwb@smxblaw.com</p>
<p>Maria Moncada David Lee Florida Power & Light Company 700 Universe Boulevard Juno Beach, FL 33408-0420 Maria.Moncada@fpl.com David.Lee@fpl.com</p>	<p>Kenneth Hoffman Florida Power & Light Company 215 South Monroe Street, Suite 810 Tallahassee, FL 32301 Ken.Hoffman@fpl.com</p>
<p>Ms. Paula K. Brown Tampa Electric Company Regulatory Affairs P.O. Box 111 Tampa, FL 33601-0111 Regdept@tecoenergy.com</p>	<p>Florida Industrial Users Power Group Jon C. Moyle, Jr. Moyle Law Firm 118 North Gadsden Street Tallahassee, FL 32301 jmoyle@moylelaw.com</p>

<p>Mike Cassel Florida Public Utilities Company 208 Wildlight Ave. Yulee, FL 32097 mcassel@fpuc.com</p>	<p>Matthew Bernier Robert Pickels Stephanie Cuello Duke Energy 106 East College Avenue, Suite 800 Tallahassee, FL 32301 Matthew.Bernier@duke-energy.com Robert.Pickels@duke-energy.com Stephanie.Cuello@duke-energy.com</p>
	<p>Dianne M. Triplett Duke Energy 299 First Avenue North St. Petersburg, FL 33701 Dianne.Triplett@duke-energy.com</p>
<p>Peter J. Mattheis/Michael K. Lavanga/Joseph Briscar NUCOR 1025 Thomas Jefferson St., NW, Ste. 800 West Washington DC 20007-5201 (202) 342-0800 (202) 342-0807 mkl@smxblaw.com pjm@smxblaw.com jrb@smxblaw.com</p>	

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

FLORIDA PUBLIC UTILITIES COMPANY
CALCULATION OF TRUE-UP SURCHARGE
APPLICABLE TO LEVELIZED FUEL ADJUSTMENT PERIOD
JANUARY 2022 - DECEMBER 2022
BASED ON FOUR MONTHS ACTUAL AND EIGHT MONTHS ESTIMATED OPERATIONS

FLORIDA DIVISION-CONSOLIDATED

Actual/estimated Over-recovery for the period January 2021 - December 2021 (Final True-Up, Exhibit CDY-1, Schedule A, Line 9)	\$ \$ (2,257,470)
Final Remaining Under-recovery adjustment for the period January 2021 - December 2021 (Final True-Up, Exhibit CDY-1, Schedule A, Line 10)	\$ 6,047,784
Actual Under-recovery for the period January 2021 - December 2021 (Final True-Up, Exhibit CDY-1, Schedule A, Line 8)	\$ 3,790,314
Current Actual/Estimated Under-recovery for the period January 2022 - July 2022	\$ 5,540,149
Under-recovery of purchased power costs for the period January 2022 - July 2022. (Estimated Purchased Power Costs and Calculation of True-Up and Interest Provision for the Six Month Period ended July 2022.)(Estimated)	\$ 9,330,463
Portion of 2021 Under-recovery to be collected for the period August 2022 - December 2022	\$ 3,790,314
Estimated kilowatt hour sales for the months of August 2022 - December 2022 as per estimate filed with the Commission. (Excludes GSLD1 customers)	282,030,194
Cents per kilowatt hour necessary to collect under-recovered purchased power costs over the period August 2022- December 2022	1.34394

REVISED EXHIBIT. A
DOCKET NO. 20220001-EI
Florida Public Utilities Company

Florida Public Utilities
 Typical Bill Comparisons - Electric Residential
 Midcourse 2022

GENERAL SERVICE			Current 2022		Midcourse 2022	
			Rate	Charge	Rate	Charge
	Customer Charge	\$ per bill	27.85	\$ 27.85	27.85	\$ 27.85
1500	KWH	Base Energy Charge	\$ per KWH 0.02903	\$ 43.55	0.02903	\$ 43.55
		Fuel	\$ per KWH 0.07389	\$ 110.84	0.08852	\$ 132.78
		Conservation	\$ per KWH 0.00134	\$ 2.01	0.00134	\$ 2.01
		Storm Recovery	\$ per KWH 0.01280	\$ 19.20	0.01280	\$ 19.20
		Gross Receipts Tax	0.02564	\$ 5.22	0.02564	\$ 5.78
				\$ 208.66		\$ 231.16
						\$ 22.51

10.79%

GENERAL SERVICE DEMAND			Current 2022		Midcourse 2022	
			Rate	Charge	Rate	Charge
	Customer Charge	\$ per bill	82.35	\$ 82.35	82.35	\$ 82.35
10000	KWH	Base Energy Charge	\$ per KWH 0.00547	\$ 54.70	0.00547	\$ 54.70
40	KW	Base Demand Charhe	\$ per KW 4.49000	\$ 179.60	4.49000	\$ 179.60
		Fuel	\$ per KWH 0.06795	\$ 679.50	0.08281	\$ 828.10
		Conservation	\$ per KWH 0.00134	\$ 13.40	0.00134	\$ 13.40
		Storm Recovery	\$ per KWH 0.01280	\$ 128.00	0.01280	\$ 128.00
		Gross Receipts Tax	0.02564	\$ 29.17	0.02564	\$ 32.98
				\$ 1,166.72		\$ 1,319.13
						\$ 152.41

13.06%

GENERAL SERVICE LARGE DEMAND			Current 2022		Midcourse 2022	
			Rate	Charge	Rate	Charge
	Customer Charge	\$ per bill	157.42	\$ 157.42	157.42	\$ 157.42
100000	KWH	Base Energy Charge	\$ per KWH 0.00254	\$ 254.00	0.00254	\$ 254.00
500	KW	Base Denand Charge	\$ per KW 6.42000	\$ 3,210.00	6.42000	\$ 3,210.00
		Fuel	\$ per KWH 0.06531	\$ 6,531.00	0.08032	\$ 8,032.00
		Conservation	\$ per KWH 0.00134	\$ 134.00	0.00134	\$ 134.00
		Storm Recovery	\$ per KWH 0.01280	\$ 1,280.00	0.01280	\$ 1,280.00
		Gross Receipts Tax	0.02564	\$ 296.56	0.02564	\$ 335.05
				\$ 11,862.98		\$ 13,402.47
						\$ 1,539.49

12.98%

Response Data Request #11
Fuel Related Cost Comparison

Month/Year	Fuel Related PPA costs	
	Assumed	Actual
Jan-21	3,463,813	3,679,571
Feb-21	3,023,006	3,682,049
Mar-21	3,043,198	3,263,203
Apr-21	3,138,975	2,925,896
May-21	3,380,423	3,500,105
Jun-21	4,020,687	4,224,054
Jul-21	4,070,674	4,737,762
Aug-21	3,993,415	5,088,698
Sep-21	4,060,375	4,971,223
Oct-21	3,847,814	4,916,636
Nov-21	3,232,704	4,571,705
Dec-21	3,582,917	3,917,016
Jan-22	3,864,158	4,366,538
Feb-22	3,505,047	4,652,764
Mar-22	3,398,241	4,411,114
Apr-22	3,424,439	4,309,284