

July 26, 2022

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

VIA E-PORTAL

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


Re: Docket No. 20220002-EG – Energy Conservation Cost Recovery Clause

Dear Mr. Teitzman:

Attached for electronic filing on behalf of Florida Public Utilities Company, please find the Company's Response to Audit Control No: 2022-019-1-2.

Should you have any questions whatsoever, please do not hesitate to contact me. Thank you for your assistance in this matter.

Sincerely,


Beth Keating
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Florida Public Utilities Company

Energy Conservation Cost Recovery Clause

Docket No. 20220002-EG

Response to Auditor's Report for the Twelve Months Ended December 31, 2021

Audit Control No: 2022-019-1-2

Audit Finding 1: Operations and Maintenance Expense

FPUC's Response:

The Company takes exception to, and seeks clarification with regard to the Audit Staff's determination that total expenses should be decreased by \$39,201.

As it pertains to the \$36,560 invoice received in December 2021, but booked in January 2022, the Company is unclear whether it is audit staff's determination that this amount should be removed from 2021, because it was booked in January 2022, and therefore is more appropriate for recovery as a 2022 expense. The Company maintains that this amount is appropriate for 2021, as the activity, and bill, were undertaken in 2021. Due to the timing of receipt of the bill, however, the invoice was booked in January 2022. With that said, the Company's greater need for clarity pertains to whether this audit finding is intended to suggest that the entire amount be disallowed, or merely that it is more appropriate for recovery as a 2022 expense. Clarification is necessary in order for the Company to determine whether an adjustment is necessary in its Actual/Estimated filing to reflect inclusion of the \$36,560 in 2022, and removal of the like amount from the 2021 final true up.

Similarly, the Company takes issue with audit staff's conclusion that the Commercial Heating and Cooling Efficiency Upgrade and Residential Heating and Cooling Efficiency Upgrade Incentives invoices from December 2020 totaling \$2,641 but booked in January 2021, should be removed. First, this conclusion appears to be inconsistent, if not directly contradictory, with the conclusion apparently reached as it relates to the \$36,560 invoice discussed above. Due to a timing difference associated with receipt of invoices in December, these amounts were booked in January. Unlike the situation above, however, the Company inadvertently failed to include the amounts in the 2020 Final True Up amounts; thus, the Company included the amounts as a 2021 cost for purposes of calculating the 2022 cost recovery factors. While the situation described above for the \$36,560 invoice (if the Company interprets staff's finding correctly) would still allow for recovery of the subject amount through inclusion in the actual/estimated filing, a finding that the \$2,641 amount is only appropriate as a 2020 cost, effectively requires that the Company forgo recovery of this amount based solely upon the timing difference of the invoices and when they were booked, rather than upon any determination that the amounts themselves are not appropriate for recovery through the ECCR. This is because there is no defined procedure or mechanism in the clause proceeding to revisit recovery of costs in 2020.

Audit Finding 2:

The Company has updated its FEECA filing in accordance with staff's audit findings.