



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

December 9, 2022

BY E-MAIL

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

Re: [New Filing] Petition of Florida Public Utilities Company Requesting Approval of AFUDC Rate.

Dear Mr. Teitzman:

Attached, please find Florida Public Utilities Company's Petition Requesting Approval of an AFUDC Rate.

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.
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: Petition of Florida Public Utilities Company (Electric Division) for Approval of Allowance for Funds Used During Construction (AFUDC) rate. _____) Docket No.))) Filed: December 9, 2022))

PETITION OF FLORIDA PUBLIC UTILITIES COMPANY
REQUESTING APPROVAL OF AN AFUDC RATE

Florida Public Utilities Company (herein “FPUC” or Company) by and through undersigned counsel, and in accordance with Sections 366.041, 366.06, and 366.076, Florida Statutes, and Rule 25-6.0141, Florida Administrative Code, hereby files this petition seeking the approval from the Florida Public Service Commission (“Commission”) of an allowance for funds used during construction rate of 6.80%, calculated in accordance with Rule 25-6.0141, Florida Administrative Code to become effective January 1, 2023. In support of this request, the Company states as follows:

- 1) The principal business address of Florida Public Utility Company is:

Florida Public Utilities Company
208 Wildlight Avenue
Yulee, FL 32097

- 2) The name and mailing address of the persons authorized to receive notices are:

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

Mike Cassel
Florida Public Utilities Company
208 Wildlight Avenue
Yulee, FL 32097
mcassel@chpk.com

Michelle D. Napier
Director, Reg. Affairs Distribution
Florida Public Utilities Company
1635 Meathe Drive
West Palm Beach, FL 33411
mnapier@fpuc.com

- 3) FPUC is an electric utility subject to the regulatory jurisdiction of this Commission as prescribed in Chapter 366, Florida Statutes. It is a wholly-owned subsidiary of Chesapeake Utilities Corporation (“CHPK”), which is headquartered in Dover, Delaware.
- 4) This Petition, representing an initial request to establish an AFUDC rate, is being made to the Commission, which is the affected agency, located at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399.
- 5) In accordance with Rule 25-6.0141(5) F.A.C., the Company has provided Schedules A thru C, calculated in accordance with Rule 25-6.0141(3). These schedules identify the capital structure, capital structure adjustments and methodology used for the calculation of the monthly AFUDC rate.
- 7) AFUDC is only an accounting entry. It is designed to permit a utility recovery of the cost associated with financing eligible construction activities by capitalizing the allowed interest now for future recovery thru an increase in rate base, rather than changing a current base rate tariff now.
- 8) FPUC requests that the AFUDC rate of 6.80% (.549737% monthly) becomes effective as of January 1, 2023.
- 9) The Company will continue to monitor the cost of capital for any further material changes and request a change in rates when appropriate.

RESPECTFULLY SUBMITTED this 9th day of December, 2022.

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

Attorneys for Florida Public Utilities Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served upon the following by Hand Delivery or Electronic Mail this 9th day of December, 2022.

Keith Hetrick Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850 khetrick@psc.state.fl.us	Richard Gentry 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
Mike Cassel Florida Public Utilities Company 208 Wildlight Avenue Yulee, FL 32097 mcassel@chpk.com	

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

FLORIDA PUBLIC UTILITIES COMPANY
 ELECTRIC DIVISION
 BASIS FOR THE REQUESTED AFUDC RATE
 FPSC ADJUSTED BASIS
 SEPTEMBER 2022

SCHEDULE A:

<u>CAPITAL COMPONENTS</u>	<u>JURISDICTIONAL 13- MONTH AVERAGE</u>	<u>CAPITAL RATIO</u>	<u>COST OF CAPITAL</u>	<u>AFUDC WEIGHTED COMPONENTS</u>
COMMON EQUITY	\$ 62,165,119	57.23%	10.25% *	5.87%
LONG TERM DEBT	25,723,579	23.68%	3.29% **	0.78%
SHORT TERM DEBT	5,278,592	4.86%	1.54% ***	0.07%
CUSTOMER DEPOSITS	3,922,366	3.61%	2.29% ***	0.08%
DEFERRED INCOME TAX	11,535,009	10.62%	0.00%	0.00%
INVESTMENT TAX CREDITS	-	0.00%	0.00%	0.00%
TOTAL	\$ 108,624,665	100.00%		6.80%

* Based on the midpoint approved equity return in Docket No. 20140025-EI

** Based on year end long term debt rate per the September 2022 rate of return report.

*** Based on 13-month average cost rates per the September 2022 rate of return report.

FLORIDA PUBLIC UTILITIES COMPANY
 ELECTRIC DIVISION
 BASIS FOR THE REQUESTED AFUDC RATE
 FPSC ADJUSTED BASIS
 SEPTEMBER 2022

SCHEDULE B

CAPITAL COMPONENTS	PER BOOKS	COMMISSION ADJUSTMENTS	ADJUSTED AVERAGE BALANCE
COMMON EQUITY	\$ 67,258,807	\$ (5,093,688)	\$ 62,165,119
LONG TERM DEBT	47,335,426	(21,611,847)	25,723,579
SHORT TERM DEBT	15,119,109	(9,840,517)	5,278,592
CUSTOMER DEPOSITS	3,922,366		3,922,366
DEFERRED INCOME TAX	11,535,009		11,535,009
INVESTMENT TAX CREDITS	-		-
TOTAL	\$ 145,170,717	\$ (36,546,052)	\$ 108,624,665

FLORIDA PUBLIC UTILITIES COMPANY
 ELECTRIC DIVISION
 METHODOLOGY FOR MONTHLY COMPOUNDING OF THE AFUDC RATE
 SEPTEMBER 2022

SCHEDULE C

AFUDC COMPOUNDING

$((1+R/12)**12)-1=$	APPROVED RATE
$((1+R/12)**12)-1=$	6.80%
$((1+R/12)**12)=$	1.06800000
$((1+R/12)=$	1.00549737
$(R/12)=$	0.00549737

MONTHS	AFUDC BASE	MONTHLY AFUDC	CUMULATIVE AFUDC
JAN	1.00000000	0.00549737	0.00549737
FEB	1.00549737	0.00552759	0.01102496
MAR	1.01102496	0.00555798	0.01658293
APR	1.01658293	0.00558853	0.02217146
MAY	1.02217146	0.00561925	0.02779071
JUN	1.02779071	0.00565014	0.03344085
JUL	1.03344085	0.00568120	0.03912206
AUG	1.03912206	0.00571244	0.04483449
SEP	1.04483449	0.00574384	0.05057833
OCT	1.05057833	0.00577541	0.05635375
NOV	1.05635375	0.00580716	0.06216091
DEC	1.06216091	0.00583909	0.06800000

Annual Rate (R)=.0681

Monthly Rate = $((1 + R)^{1/12} - 1 = .00549737$