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July 27, 2023

BY E-PORTAL

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

**Re: Docket No. 20230001-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 Petition for Approval of Actual/Estimated True Up Amount, along with the Testimony and Exhibit CDY-2 of Mr. Curtis Young.

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. 20230001-EI
| DATED: July 27, 2023

**FLORIDA PUBLIC UTILITIES COMPANY'S
PETITION FOR APPROVAL
OF FUEL ADJUSTMENT AND PURCHASED POWER COST RECOVERY
ESTIMATED/ACTUAL TRUE-UP AMOUNT**

Florida Public Utilities Company (FPUC or Company), by and through its undersigned counsel, hereby files this Petition asking the Florida Public Service Commission (FPSC or Commission) for approval of FPUC's fuel adjustment and purchased power cost recovery estimated true-up amount for the period January 2023 through December 2023. In support of this request, the Company hereby states:

- 1) FPUC is an electric utility subject to the Commission's jurisdiction. Its principal business address is:

Florida Public Utilities Company
208 Wildlight Ave.
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

Mike Cassel
VP, Governmental and Regulatory
Affairs
Florida Public Utilities Company
208 Wildlight Ave.
Yulee, FL 32097
mcassel@fpuc.com

- 3) Consistent with the requirements for this proceeding, the Company has prefiled the fuel adjustment and purchased power cost recovery true-up forms supplied by the Commission consistent with the requirements for such filings.

- 4) In accordance with Order No. PSC-2023-0066-PCO-EI, issued February 3, 2023, the Company is also submitting, contemporaneously with this Petition, the Direct Testimony and Exhibit CDY-2 of Mr. Curtis D. Young in support of the Company's request for approval of the requested actual/estimated true-up amount.
- 5) As the Commission is aware, the Commission-approved total true-up amount to be collected for the current period, January 2023 through December 2023, by the Company was a \$7,063,744 under-recovery. As reflected in Commission Order No. PSC-2023-0026-FOF-EI, the \$7,063,744 amount is 1/3 of the total estimated under-recovery of \$21,191,231 for 2022, which will be recovered in increments over the 2023-2025 period.
- 6) The actual, end of period under recovery for 2022 was \$30,840,177, as reflected in the Company's April 2023 filing. Thus, the final true-up amount for the period January 2022 through December 2022 is a final, remaining under-recovery of \$9,648,946.
- 7) Based on 6 months of actual data and 6 months of estimated data, the estimated true-up amount for the period January 2023 through December 2023, is an estimated under-recovery of \$1,942,079, reflecting the Company's projected under-recovery of purchased power costs of \$11,591,025 at year's end.
- 8) The Company's total true-up amount that the Company proposes to collect during the period January 2024 through December 2024 is, however, an under-recovery \$4,887,532 when the appropriate adjustments are applied as reflect in Witness Young's Exhibit CDY-2.

WHEREFORE, FPUC respectfully requests that the Commission approve the estimated/actual true-up amount for January 2023 through December 2023 as an under-recovery of \$4,887,532.

RESPECTFULLY SUBMITTED this 27th day of July, 2023.



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 Petition for Approval of Estimated/Actual True-Up Amount, as well as the Direct Testimony and Exhibit CDY-2 of Curtis Young, has been furnished by Electronic Mail to the following parties of record this 27th day of July, 2023:

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	J. Jeffrey Wahlen/Malcolm Means/Virginia Ponder Ausley Law Firm Post Office Box 391 Tallahassee, FL 32302 jwahlen@ausley.com mmeans@ausley.com vponder@ausley.com
P. Christensen / Charles Rehwinkel/Mary Wessling Office of Public Counsel c/o The Florida Legislature 111 W. Madison Street, Room 812 Tallahassee, FL 32399-1400 Wessling.Mary@leg.state.fl.us Rehwinkel.Charles@leg.state.fl.us Christensen.patty@leg.state.fl.us	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
Maria Moncada David Lee Florida Power & Light Company 700 Universe Boulevard Juno Beach, FL 33408-0420 Maria.Moncada@fpl.com David.Lee@fpl.com	Kenneth Hoffman Florida Power & Light Company 215 South Monroe Street, Suite 810 Tallahassee, FL 32301 Ken.Hoffman@fpl.com
Ms. Paula K. Brown Tampa Electric Company Regulatory Affairs P.O. Box 111 Tampa, FL 33601-0111 Regdept@tecoenergy.com	Florida Industrial Users Power Group Jon C. Moyle, Jr. Moyle Law Firm 118 North Gadsden Street Tallahassee, FL 32301 jmoyle@moylelaw.com

<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>William C. Garner, Esq. Law Office of William C. Garner, PLLC 3425 Bannerman Road Unit 105, No. 414 Tallahassee, Florida 32312 Telephone: (850)329-5478 Mobile: (850)320-1701 FAX: (850) 792-6011 bgarner@wcglawoffice.com</p>	<p>Dianne M. Triplett Duke Energy 299 First Avenue North St. Petersburg, FL 33701 Dianne.Triplett@duke-energy.com</p>

By: 
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1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 DOCKET NO. 20230001-EI: Fuel and purchased power cost recovery clause with
3 generating performance incentive factor.

4 Direct Testimony of Curtis D. Young (Estimated/Actual)

5 On Behalf of Florida Public Utilities Company

6 **Q. Please state your name and business address.**

7 A. My name is Curtis D. Young. My business address is 1635 Meathe Drive, West
8 Palm Beach, Florida 33411.

9 **Q. By whom are you employed?**

10 A. I am employed by Florida Public Utilities Company (“FPUC” or “Company”)

11 **Q. Describe briefly your education and relevant professional background.**

12 A. I have a Bachelor of Business Administration Degree in Accounting from Pace
13 University in New York City, New York. I am the Senior Regulatory Analyst for
14 Florida Public Utilities Company. I have performed various accounting and
15 analytical functions including regulatory filings, revenue reporting, account analysis,
16 recovery rate reconciliations and earnings surveillance. I’m also involved in the
17 preparation of special reports and schedules used internally by division managers for
18 decision making projects. Additionally, I coordinate the gathering of data for the
19 FPSC audits.

20 **Q. Have you previously testified in this Docket?**

21 A. Yes, I have.

22 **Q. What is the purpose of your testimony at this time?**

23 A. I will briefly describe the basis for the Company’s computations made in preparation

1 of the schedules being submitted in this docket.

2 **Q. Which of the Staff's schedules is the Company providing in support of this**
3 **filing?**

4 A. I am attaching Schedules E1-A, E1-B, and E1-B1 as part of Exhibit CDY-2.
5 Schedule E1-B shows the Calculation of Purchased Power Costs and Calculation of
6 True-Up and Interest Provision for the period January 2023 – December 2023 based
7 on 6 Months Actual and 6 Months Estimated data.

8 **Q. Were these schedules completed by you or under your direct supervision?**

9 A. The schedules were completed by me.

10 **Q. What was the final remaining true-up amount for the period January 2022 –**
11 **December 2022?**

12 A. The final remaining true-up amount was an under-recovery of \$9,648,946.

13 **Q. What is the estimated true-up amount for the period January 2023 – December**
14 **2023?**

15 A. The estimated true-up amount is an under-recovery of \$1,942,079.

16 **Q. What is the total true-up amount estimated to be collected, or refunded for the**
17 **period January 2024 – December 2024?**

18 A. At the end of December 2023, based on six months actual and six months estimated,
19 the Company estimates it will under-recover \$11,591,025 in purchased power costs,
20 which will be collected from January 2024 – December 2024. The Company's total
21 true-up amount that the Company proposes to collect during the period January 2024
22 through December 2024 is, however, an under-recovery of \$4,887,532 when the
23 appropriate adjustments are applied as reflected in Schedule E-1A.

1 Q. **In previous years FPUC explored other opportunities to provide power supply**
2 **for its customers. Has FPUC continued to explore other opportunities?**

3 A. Yes. FPUC is continuing to look into other sources of power supply that will
4 provide low cost, resilient and reliable energy to its customers.

5 Q. **Would you please discuss the opportunities FPUC has been investigating?**

6 A. Yes. FPUC is continuing to explore both Solar Photovoltaic (solar) and Combined
7 Heat and Power (CHP) technologies with the goal of providing low cost, resilient
8 and reliable energy to customers. Solar opportunities are being explored in both the
9 Northeast and Northwest Divisions and are under consideration at this time. In our
10 Northeast Division, significant effort has been focused on the development of a
11 second CHP on Amelia Island. This project will be similar in size and operation to
12 the existing Eight Flags Energy project that began commercial operation in 2016.
13 Amelia Island Energy (AIE), as it will be named, will be located approximately one
14 mile from Eight Flags Energy at a separate mill on Amelia Island. This CHP will
15 provide electrical energy to the FPUC grid and thermal energy in the form of
16 steam/hot water to the mill. Preliminary engineering has been completed, operating
17 agreements and air permitting has been completed at this time. AIE will provide low
18 cost energy to our customers while improving the resiliency and reliability to the
19 FPUC grid on Amelia Island.

20 Q. **Has the company incurred any costs during the preliminary stages of this**
21 **project?**

22 A. Yes, the Company has engaged the consulting firms of Pierpont and McLelland LLC
23 and Sterling Energy Services LLC as well as the law firm of Gunster, Yoakley, and

1 Stewart PA for their experienced in the aforementioned processes. The Company
2 incurred consulting and legal fees linked to this project amounting to \$126,905 in
3 2021, \$116,912 in 2022, and \$83,873 for the six-months ended June 30, 2023. We
4 roughly estimate to spend another \$44,800 by year-end.

5 **Q. When do you anticipate construction to begin on the AIE facility?**

6 A. It is anticipated that decisions can be finalized on these items later in 2023 with
7 major items ordered in early 2024. Commercial operation should occur within 1.5
8 years of ordering the major equipment.

9 **Q. Does this conclude your testimony?**

10 A. Yes.

FLORIDA PUBLIC UTILITIES COMPANY
CALCULATION OF TRUE-UP SURCHARGE
APPLICABLE TO LEVELIZED FUEL ADJUSTMENT PERIOD
JANUARY 2023 - DECEMBER 2023
BASED ON SIX MONTHS ACTUAL AND SIX MONTHS ESTIMATED OPERATIONS

Florida Division -CONSOLIDATED

Under-recovery of purchased power costs for the period January 2023 - December 2023. (See Schedule E1-B, Calculation of Estimated Purchased Power Costs and Calculation of True- Up and Interest Provision for the Twelve Month Period ended December 2023.)(Estimated)	\$	11,591,025
Less portion of 2022 Under-recovery to be collected for the period January 2025 - December 2025	\$	(7,063,744)
Calculated interest on Deferred Under-recovery January 2025 - December 2025	\$	360,251
Remaining 2023 Under-recovery to be collected for the period January 2024 - December 2024	\$	<u>4,887,532</u>
Estimated kilowatt hour sales for the months of January 2024 - December 2024 as per estimate filed with the Commission. (Excludes GSLD1 customers)		<u>640,175,379</u>
Cents per kilowatt hour necessary to collect total under-recovered purchased power costs over the period January 2023- December 2023		0.76347

Exhibit No. _____
DOCKET NO. 20230001-EI
Florida Public Utilities Company
(CDY-2)
Page 1 of 3

FLORIDA PUBLIC UTILITIES COMPANY
CALCULATION OF PURCHASED POWER COSTS AND CALCULATION OF TRUE-UP AND INTEREST PROVISION-EXCLUDING GSLD1
ACTUAL ESTIMATED FOR THE PERIOD: JANUARY 2023 THROUGH DECEMBER 2023
BASED ON SIX MONTHS ACTUAL AND SIX MONTHS ESTIMATED
(INCLUDES LINE LOSS, EXCLUDES TAXES)

CONSOLIDATED

Table with columns for months (Jan 2023 to Dec 2023) and Total. Rows include Total System Sales, West-Rock Purchases, Rayonier Purchases, FPL Purchases, Generation Demand, Transmission Demand, Purchased Power Costs, Demand and Non-Fuel, Total System Purchased Power Costs, and KWH Sales.

10% Rule Interest Provision: -16.17%

* Includes: Consulting fees, Legal fees and Taxes on Company Use.

FLORIDA PUBLIC UTILITIES COMPANY
 CONSOLIDATED FLORIDA DIVISIONS
 COMPARISON OF ESTIMATED/ACTUAL VERSUS ORIGINAL PROJECTIONS
 OF THE FUEL AND PURCHASED POWER COST RECOVERY FACTOR
 JANUARY 2023 - DECEMBER 2023

	DOLLARS				MWH				CENTS/KWH			
	ESTIMATED/ ACTUAL	ESTIMATED/ ORIGINAL	DIFFERENCE AMOUNT	%	ESTIMATED/ ACTUAL	ESTIMATED/ ORIGINAL	DIFFERENCE AMOUNT	%	ESTIMATED/ ACTUAL	ESTIMATED/ ORIGINAL	DIFFERENCE AMOUNT	%
1 Fuel Cost of System Net Generation (A3)					0	0	0	0.0%	0.00000	0.00000	0.00000	0.0%
2 Nuclear Fuel Disposal Cost (A13)												
3 Coal Car Investment												
4 Adjustments to Fuel Cost (A2, Page 1)												
5 TOTAL COST OF GENERATED POWER	0	0	0	0.0%	0	0	0	0.0%	0.00000	0.00000	0.00000	0.0%
6 Fuel Cost of Purchased Power (Exclusive of Economy) (A8)	16,263,290	27,247,115	(10,983,825)	-40.3%	489,470	509,609	(20,139)	-4.0%	3.32263	5.34667	(2.02404)	-37.9%
7 Energy Cost of Sched C & X Econ Purch (Broker)(A9)												
8 Energy Cost of Other Econ Purch (Non-Broker)(A9)												
9 Energy Cost of Sched E Economy Purch (A9)												
10 Demand and Non Fuel Cost of Purchased Power (A9)	17,091,454	17,248,693	(157,239)	-0.9%	489,470	509,609	(20,139)	-4.0%	3.49183	3.38469	0.10714	3.2%
11 Energy Payments to Qualifying Facilities (A8a)	18,928,743	23,033,855	(4,105,112)	-17.8%	179,102	180,913	(1,811)	-1.0%	10.56869	12.73201	(2.16332)	-17.0%
12 TOTAL COST OF PURCHASED POWER	<u>52,283,487</u>	<u>67,529,663</u>	<u>(15,246,176)</u>	<u>-22.6%</u>	<u>668,572</u>	<u>690,522</u>	<u>(21,950)</u>	<u>-3.2%</u>	<u>7.82017</u>	<u>9.77951</u>	<u>(1.95934)</u>	<u>-20.0%</u>
13 TOTAL AVAILABLE MWH (LINE 5 + LINE 12)					668,572	690,522	(21,950)	-3.2%				
14 Fuel Cost of Economy Sales (A7)												
15 Gain on Economy Sales (A7a)												
16 Fuel Cost of Unit Power Sales (SL2 Partpts)(A7)												
17 Fuel Cost of Other Power Sales (A7)	<u>712,767</u>	<u>898,064</u>	<u>(185,297)</u>	<u>-20.6%</u>								
18 TOTAL FUEL COST AND GAINS OF POWER SALES (LINE 14 + 15 + 16 + 17)	<u>712,767</u>	<u>898,064</u>	<u>(185,297)</u>	<u>-20.6%</u>	0	0	0	0.0%	0.00000	0.00000	0.00000	0.0%
19 NET INADVERTENT INTERCHANGE (A10)												
20 TOTAL FUEL AND NET POWER TRANSACTIONS (LINES 5 + 12 + 18 + 19)	<u>52,996,254</u>	<u>68,427,727</u>	<u>(15,431,473)</u>	<u>-22.6%</u>	<u>668,572</u>	<u>690,522</u>	<u>(21,950)</u>	<u>-3.2%</u>	<u>7.92678</u>	<u>9.90957</u>	<u>(1.98279)</u>	<u>-20.0%</u>
21 Net Unbilled Sales (A4)	0 *	0 *	0	0.0%	0	0	0	0.0%	0.00000	0.00000	0.00000	0.0%
22 Company Use (A4)	39,000 *	50,341 *z	(11,341)	-22.5%	492	508	(16)	-3.2%	0.00624	0.00762	(0.00138)	-18.1%
23 T & D Losses (A4)	3,413,192 *	2,924,314 *	488,878	16.7%	43,059	29,510	13,549	45.9%	0.54609	0.44274	0.10335	23.3%
24 SYSTEM KWH SALES	52,996,254	68,427,727	(15,431,473)	-22.6%	625,021	660,504	(35,483)	-5.4%	8.47911	10.35993	(1.88082)	-18.2%
25 Wholesale KWH Sales												
26 Jurisdictional KWH Sales	52,996,254	68,427,727	(15,431,473)	-22.6%	625,021	660,504	(35,483)	-5.4%	8.47911	10.35993	(1.88082)	-18.2%
26a Jurisdictional Loss Multiplier	1.000	1.000	0.000	0.0%	1.000	1.000	0.000	0.0%	1.000	1.000	0.00000	0.0%
27 Jurisdictional KWH Sales Adjusted for Line Losses	52,996,254	68,427,727	(15,431,473)	-22.6%	625,021	660,504	(35,483)	-5.4%	8.47911	10.35993	(1.88082)	-18.2%
28 GPIF**												
29 TRUE-UP**	<u>7,063,740</u>	<u>7,063,740</u>	<u>0</u>	<u>0.0%</u>	<u>625,021</u>	<u>660,504</u>	<u>(35,483)</u>	<u>-5.4%</u>	<u>1.13016</u>	<u>1.06945</u>	<u>0.06071</u>	<u>5.7%</u>
30 TOTAL JURISDICTIONAL FUEL COST	<u>60,059,994</u>	<u>75,491,467</u>	<u>(15,431,473)</u>	<u>-20.4%</u>	<u>625,021</u>	<u>660,504</u>	<u>(35,483)</u>	<u>-5.4%</u>	<u>9.60928</u>	<u>11.42937</u>	<u>(1.82009)</u>	<u>-15.9%</u>
31 Revenue Tax Factor									1.00072	1.00072	0.00000	0.0%
32 Fuel Factor Adjusted for Taxes									9.61620	11.43760	(1.82140)	-15.9%
33 FUEL FAC ROUNDED TO NEAREST .001 (CENTS/KWH)									9.616	11.438	(1.822)	-15.9%

*Included for Informational Purposes Only
 **Calculation Based on Jurisdictional KWH Sales