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August 22, 2024

BY E-FILING

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

Re: **Docket No. 20240099-EI - Petition for rate increase by Florida Public Utilities Company**

Dear Mr. Teitzman:

Attached, for electronic filing, on behalf of Florida Public Utilities Company, please find the Testimony and Exhibit of Michael Galtman.

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

(Document 4 of 18)

Sincerely,

Beth Keating
Gunster, Yoakley & Stewart, P.A.
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Docket No. 20240099-EI

Petition for rate increase by Florida Public Utilities Company, Electric Division

Prepared Direct Testimony of Michael Galtman

Filed: August 22, 2024

Q. Please state your name, occupation and business address.

A. My name is Michael D. Galtman. My business address is 100 Commerce Drive. Suite 200, Newark, DE 19713.

Q. By whom are you employed and in what capacity?

A. I am employed by Chesapeake Utilities Corporation, the corporate parent of Florida Public Utilities Company, as Senior Vice President and Chief Accounting Officer.

Q. Please describe your educational background and professional experience.

A. In 1997, I received a Bachelor of Science in Accounting from Rutgers University in Camden, New Jersey and I am a licensed Certified Public Accountant in Pennsylvania. I have been in my current position as Senior Vice President and Chief Accounting Officer of Chesapeake Utilities Corporation since April 2019. Prior to joining Chesapeake Utilities Corporation, I held various accounting leadership roles, including the role of Chief Accounting Officer at Sunoco Logistics Partners LP, which was a subsidiary of Energy Transfer. Sunoco Logistics Partners LP owned and operated midstream assets that served to transport crude oil, refined products and natural gas liquids and had certain assets that are regulated by the FERC and the respective state public service commission where the assets were located.

Q. Please describe your current responsibilities.

A. As the Chief Accounting Officer, I have responsibility for the accounting functions of Chesapeake Utilities Corporation, the parent company of Florida Public Utilities. In my role, I have responsibility for all accounting functions of the company including general accounting, business unit accounting, SEC reporting, accounting policy and tax. Additionally, I have responsibility for financial planning and analysis and the strategic modeling departments.

Q. How will you refer to the Company?

A. When referring to the Florida Public Utilities Company Electric Division, I will refer to it as "FPUC" or "the Company". When referring to Chesapeake Utilities Corporation, the parent company, I will refer to it as "CUC" or the "Corporation."

Q. Have you filed testimony before the Florida Public Service Commission ("Commission") in prior cases?

A. Yes. I have provided written, pre-filed testimony in FPUC's COVID-19 Docket No. 20200194-PU and testified in Docket No. 20220067-GU.

Q. What is the purpose of your testimony in this proceeding?

A. I will provide an overview of the Corporation's accounting and finance functions. Additionally, I will provide support for certain schedules of historical data and projected data represented in the MFRs listed in my Exhibit MG-1. Historical amounts presented in the respective MFRs listed in Exhibit MG-1 reflect results from the books and records of the Corporation and FPUC and were prepared under my supervision and direction. More specifically, I will address administrative and general ("A&G") expenses and the allocation methodology for recording expenses to

FPUC along with general A&G cost changes that have been implemented since FPUC was acquired by the Corporation, along with the benefits tied to those changes.

Q. Do you have any exhibits to which you will refer in your testimony?

A. Yes. Exhibit MG-1, which was prepared under my supervision and direction.

Q. Are you sponsoring any MFRs in this case?

A. Yes. I am sponsoring the MFRs listed in Exhibit MG-1.

ORGANIZATION OVERVIEW

Q. Can you briefly describe how the Company's Accounting group is organized?

A. Currently, at CUC, the accounting department is broken up into five areas. The Controller's Group is responsible for corporate, business unit and fixed asset accounting. Additionally, the Controller's Group is responsible for annual financial reporting to the FERC and the respective state commissions for the Corporation's regulated business units. The SEC Reporting Group is responsible for quarterly and annual SEC reporting, accounting policy and technical accounting research. The Financial Planning and Analysis Group is responsible for budgeting, forecasting and the financial planning component of the strategic planning process, oversight of expense allocations and internal and management reporting. The Strategic Modelling Department is responsible for modelling all of our potential acquisitions and large capital investment projects. The Corporate Tax Department is responsible for income tax compliance and strategy for CUC and all of its subsidiaries.

Q. Has the organization of this unit changed since the last rate proceeding?

A. Yes. The Accounting organization has continued to expand its capabilities since the prior rate filing. CUC is a publicly traded company which is listed on the New York Stock Exchange. The Corporation is continuously investing in regulated infrastructure to meet increased customer demand, focused on providing a high level of customer service and ensuring safe and efficient operations. As a result of this growth, CUC is considered a large accelerated filer, which is subject to accelerated SEC reporting timelines and internal control requirements as defined under the Sarbanes-Oxley Act. Additionally, the accounting and disclosure requirements have continued to evolve as well as the internal control considerations under the Sarbanes-Oxley Act. In order to comply with the various regulations, the Corporation regularly reviews staffing levels, processes and technology to ensure compliance with the applicable regulations. Since 2015 the Financial Accounting Standards Boards issued a total of 108 accounting standard updates. While not all of these updates resulted in accounting or procedural changes for the Corporation, each one still required the team to review and evaluate any potential impact. Many of these new accounting standards resulted in significant ongoing evaluations and disclosure changes, including revenue from contracts with customers (Topic 606) and leases (Topic 842). In the area of taxation, we have seen a significant number of federal tax laws implemented since 2015, including the Tax Cuts and Jobs Act of 2017, the Coronavirus Aid, Relief and Economic Security (CARES) Act of 2020, the Infrastructure Investment and Jobs Act (IIJA) of 2021 and the Inflation Reduction Act (IRA) of 2022. In addition to federal changes, the Corporation has also seen a number of state tax changes in the various jurisdictions it operates in, including Florida.

Q. Do you expect the Accounting organization to change in the future?

A. Yes. Accounting, disclosure and tax requirements that impact CUC and FPUC are expected to continue to change in the future. For example, in 2023 the SEC adopted new rules on the disclosure requirements related to cybersecurity risk and segment reporting. Additionally, the SEC has proposed changes to the disclosures around climate related risk and disaggregation of income statement expenses, which are being considered for implementation. As new developments occur, the Corporation assesses its resource needs to ensure its ability to comply with new regulations and effectively manage the related cost impacts that result in any associated accounting, disclosure or tax changes.

Q. What benefits are derived by the Company and its customers from CUC's service of these functions?

A. There are several benefits achieved by the evolution and growth of the Accounting function. The Company has been able to file its financial reports and tax returns accurately and timely and maintain an effective internal control environment for compliance with the Sarbanes-Oxley Act. Additionally, the centralized model for accounting resources has allowed the Company to maintain an appropriate level of workload for staff members and provide additional technical resources as regulatory, accounting and tax requirements change. In my opinion, being part of a broader accounting organization provides greater opportunities for employee development, provides additional resources to handle employee attrition when it occurs, and increases the Company's ability to retain and attract employees. Finally, with an effective control environment and a strong history of accurate accounting records, we have been able to work with our external auditors to achieve an audit fee that has grown at a slower than normal pace when compared to the industry average.

HISTORICAL AND PROJECTED DATA

ADMINISTRATIVE & GENERAL EXPENSES (A&G)

Q. Generally, please explain the accounting of A&G costs?

A. A&G costs are either directly recorded to the Company or the Company is allocated a portion of A&G expenses for groups that are performing services shared across business units. Allocations are reviewed annually, or as significant changes occur, to ensure expenses are appropriately allocated to the respective business units. The calculation of allocations to the Company are explained in greater detail below.

Q. Please describe what types of expense are included in A&G expenses.

A. A&G expenses include employee salaries and benefits, office supplies, third-party administrative services (e.g. legal services, human resource consulting, financial statement audits, etc.), insurance, advertising and the applicable facilities costs associated with office locations. Additionally, A&G expenses include pension and benefits costs associated with the Company, as addressed by Witness Rudloff.

Q. Please describe what functional areas are included in A&G expenses?

A. A&G expenses include accounting and finance, human resources, communications, marketing, information technology ("IT"), legal, corporate governance, governmental affairs, internal audit, regulatory affairs, security, safety, and other management functions. A&G expenses also include costs associated with the Corporation's board of directors, external audit fees, insurance, employee benefits, and expenses associated with pension and other postretirement benefit plans.

Q. What benefits are derived by FPUC and its customers from the Corporation's service of these functions?

A. FPUC benefits from expanded, more sophisticated functions and services provided by the centralized corporate functions. These expanded functions and services, which include finance, legal, human resources, information technology, communications, governmental affairs, corporate governance, internal audit, security, certain business development and expanded management support functions, as well as increased access to capital, have increased FPUC's quality of service by enhancing customer engagement, obtaining more accurate and relevant business and market information and providing reliable and more efficient service to its customers. These resources and capabilities also enable FPUC to address newly emerging, complex business issues. With the help of CUC's corporate office, FPUC has also been able to address expanded business and compliance needs for IT infrastructure and security, accuracy in accounting and financial data, adoption of new regulations by the federal and state governments, and employee training and retention. All of these benefits have enabled FPUC to provide outstanding service to its customers and to benefit from increased access to capital in order to maintain improve and expand their operations.

Q. How are A&G expenses allocated to FPUC?

A. The Corporation's cost accounting policy is to allocate costs to the business units that either incurred the cost directly or benefit from the cost being incurred. The Corporation's Cost Accounting Manual (CAM) documents the current allocation practices and methodologies utilized to account for all Operations and Maintenance expenses including A&G expenses. The CAM further describes the application of these practices and methodologies through CUC's accounting processes, as well as recording and reporting through CUC's financial information systems. Specifically, as it relates to A&G expenses, amounts are recorded by FPUC in one of the following ways: (a) direct assignment of costs or (b) allocation of the cost of shared functions and services to business units receiving the benefit of such functions and services. Whenever it is possible and practical, A&G expenses are directly assigned to the business unit incurring such cost. An example of direct assignment of A&G costs is an external audit fee associated with auditing FPUC's annual report on FERC Form No. 1 filed with the Commission. The audit fee directly attributable to the FERC Form No. 1 for FPUC is recorded based on the specific costs attributable for the audit. A&G expenses that cannot be directly assigned are allocated to CUC's business units that receive a benefit from such functions and services.

Q. Please explain how indirect A&G expenses incurred are allocated.

A&G expenses incurred by CUC are allocated among all of the Corporation's businesses receiving benefits from such services. The Corporation utilizes various methodologies in the allocation of costs, depending on the type of expense. These methodologies are designed to reflect the relative size and benefit of each business unit receiving the shared functions and services. The allocation methodologies may include metrics like payroll, profitability, adjusted gross plant, adjusted capital expenditures and/or the specific level of effort or focus, among others, in determining the allocation basis. CUC reviews and updates the allocation basis at the beginning of each fiscal year and, at times, adjusts the methodology during the year if a change in circumstances is warranted.

Q. Please explain further how A&G expenses are allocated.

A. A&G expenses are segregated by departments in order to record and track expenses. To the extent the expenses are being incurred to support multiple business units of CUC, the Corporation utilizes an allocation process to segregate costs between the applicable business units benefiting from the services provided. As part of the process to determine the appropriateness of the allocation, departments are first reviewed to consider whether the costs apply to all of CUC's business units or should be specifically allocated to selected business units. For example, expenses to support CUC's electric distribution, natural gas transmission and natural gas distribution operations should only be allocated to CUC's regulated business units as these expenses reflect the expenses incurred to comply with regulated operations of the respective public service commissions or the FERC. To the extent costs are being incurred to support CUC's unregulated business units, for example the Unregulated Accounting department, these expenses would not be considered for allocations to regulated business units, including FPUC's operations. Generally, CUC's corporate departments use one of the following three allocation methods: modified Distrigas, task-based, and capital expenditure-based.

The first method is the modified Distrigas formula, which is based on a FERC-approved formula attempting to weight various aspects of each of the business units to calculate the appropriate allocation. This formula incorporates three equally-weighted factors: gross plant, operating income before interest and income taxes (as opposed to net revenues) and labor costs. The formula uses operating income before interest and income taxes to eliminate volatility in commodity pricing, which would be reflected in revenues. Examples of departments using the modified Distrigas formula include accounting and finance, IT network, data and desktop maintenance and support, human resources, internal audit, security, safety, facilities and communications.

The second method is the task-based allocation, which considers the department's functions and assigns for each function the level of effort or focus to each business unit receiving its service. CUC utilizes the task-based method to allocate the costs associated with, for example, the audit committee, project specific IT departments, management/leadership, treasury, accounts payable, regulatory affairs and specific IT systems. Based on the specific nature of these services, the task-based allocation method provides the most reasonable reflection of the benefits received by each business unit.

The third method is the capital expenditure-based allocation, which allocates costs based on capital expenditures in each business unit. Costs associated with corporate governance, the Corporation's Board of Directors, and investor relations, all of which are closely related to our growth, are largely driven by capital expenditures, and thus are allocated using the capital expenditure-based method.

Q. How does CUC ensure a fair distribution of its corporate costs to all of its business units, including its unregulated businesses?

A. Chesapeake reviews and updates the allocation basis at least annually or when a significant change occurs to CUC's overall business or corporate functions. For example, in December 2023, CUC acquired Florida City Gas. As a result, the allocations to CUC's business units were adjusted to reflect the acquisition. Every business unit benefiting from a particular department is allocated a portion of the cost associated with that department, using a consistent methodology. CUC also reviews the relative size of each business unit, measured by adjusted capital expenditures, operating income before interest and income taxes, adjusted gross plant and payroll expenses, and compares it to the overall corporate cost being allocated to that business unit to assess the reasonableness of the allocation.

Q. How do A&G expenses for the 2025 Projected Test Year compare to the Benchmark Year?

A. The A&G variances between the 2025 projected test year and the calculated benchmark year are presented on MFR C-37. A&G expenses for the historic base year exceeds the benchmark by $1,046,326. This increase was driven by higher payroll and employee benefits costs to ensure compliance with various regulatory requirements, expanded technology costs to meet customer demand and protect against cybersecurity attacks, and increased employee development and recruiting needs. The increase was also driven by a general increase in the cost of property and liability insurance plans, a requested increase in the storm reserve accrual, a requested increase in the self-insurance reserve accrual to account for historical and projected claims, and increased rate case expenses associated with this rate filing. These increases were partially offset by a decrease in pension expense, which reflects projected market assumptions. Additional details related to the cost increases can be found in the testimony of Witnesses Gadgil, Napier, Rudolph and Russell. For more details on the drivers for the increases compared to the benchmark, see MFR C-41 (2025).

Q. What is FPUC's A&G expense budget for the 2025 test year?

A. The projected A&G expense of FPUC's operations, as detailed on MFR C-7 (2025) for the 2025 test year, is $8.8 million. This amount represents an increase of $2.4 million compared to the 2023 adjusted historic test year, which includes $0.4 million of an increase that can be attributed to inflation and growth.

Q. How was A&G expense for FPUC's operations calculated for the 2025 test year?

A. The calculation for A&G expenses detailed in MFR C-7 (2025) for FPUC's operations was initially based on book expense recorded for the year ended December 31, 2023. These expenses were then analyzed and adjusted for non-recurring items included in 2023 results or partial year expenses which are projected to be recurring in future periods.

Q. What are examples of A&G expense for FPUC's operations expenses which were directly projected for the 2025 projected test year?

A. Additional expenses that were directly projected for the 2025 projected test year are detailed on MFR C-7 (2025) page 7 and 8. As discussed earlier, certain expenses related to FPUC's insurance plans, a requested increase to the self-insurance and storm reserve accruals and a requested increase for rate case expenses associated with this regulatory filing were included in expenses for the 2025 projected test year. Additional details can be found in the testimonies of Witnesses Gadgil, Napier, Rudloff and Russell.

Q. Are these costs, including the allocated A&G costs, a legitimate and necessary cost of providing service to FPUC's customers?

A. Yes. A&G expenses for the 2025 test year include only the A&G costs that are projected to be incurred in supporting FPUC's operations. The overall A&G costs in the 2025 projected test year are projected based on historical costs, recent trends and additional costs associated with increased business needs, which are necessary to continue providing outstanding, safe and reliable service to FPUC's customers. The projected costs include incremental costs as appropriate to address regulatory changes, increased insurance expense given market conditions, to ensure protection from cyber threats, to ensure the Corporation's information technology systems operate efficiently and provide a high level of customer service to FPUC's customers.

Q. Please provide specific examples on how the expanded corporate A&G functions provided by CUC benefit FPUC's customers?

A. Expanded corporate A&G functions have benefited FPUC and its customers in many different ways. Chesapeake's Enterprise Health and Safety team was formed in 2022 to support the Company's implementation of a risk-based Enterprise Safety Program focused on standardization and continuous improvement. The Enterprise Health and Safety Team provides subject matter expertise in the areas of governance, incident prevention initiatives, identifying key performance indicators for awareness campaigns, monitoring and maintaining OSHA recordkeeping, and establishing an enterprise safety recognition program.

In 2023, the Enterprise Health and Safety team implemented a safety data management system, or SDMS, which streamlined the recording and tracking of safety incidents, near misses and safety observations, and provides reporting for compliance, insurance and management purposes. The system provides data essential in creating safety action plans for continuous improvement and safety training across the entire company.

Another example of the expanded corporate A&G functions that will benefit FPUC is CUC's CIS implementation, which is expected to be completed in 2024. The project will provide a comprehensive solution for CUC's regulated business units, including FPUC's operations and is focused on the following areas: customer data management, billing and invoicing, meter data management, service orders and work flow management and reporting and analytics. Utilizing a consistent technology platform across the Corporation's regulated businesses will increase operating efficiency, ensure ongoing regulatory compliance and improve customer satisfaction.

As the parent company of FPUC, the Corporation's management team and Board of Directors bring increased oversight of FPUC's businesses and the management of its operations. The Corporation's management is comprised of individuals with several decades of energy and utility industry experience. In particular, CUC's President and Chief Executive Officer, who also serves on the Board of Directors, has over 30 years of experience in the energy industry and has served in leadership positions for several energy-based associations and organizations.

Additionally, a combination of different backgrounds, skills, experiences and perspectives enables the Board, as a whole, to provide effective oversight of our business operations, assess and respond to the ever-evolving business landscape, and develop opportunities that contribute to societal advancement and create sustainable long-term shareholder value. This includes backgrounds, skills and experiences as disclosed in our Proxy Statement filed with the SEC in 2024, such as regulated energy industry experience, strategic planning and development, human capital management, community stewardship, accounting and finance, technology and cyber security, and others. CUC is governed by a diverse Board, which supports a culture of diversity and inclusion which represents the communities we serve. Four independent directors of the Board, as well as CUC's Chief Executive Officer, have in-depth knowledge of the Florida economy and market and have established relationships with colleagues and members of the community throughout Florida. All of these examples of the expanded corporate functions and services that have allowed FPUC to continue its effort to enhance customer experience, improve employee education, and develop strategies, all of which are for the direct benefit of our customers.

Q. Why is it important that FPUC operations be allowed to recover the costs associated with corporate A&G through base rates?

A. The corporate A&G functions are an integral part of FPUC's ability to support its operations, comply with legal, regulatory and other statutory requirements, finance the necessary capital required to maintain and grow its business, provide superior customer service, address complex financial and business issues and ensure the appropriate level of management oversight. As previously mentioned, many of the A&G functions previously performed directly by FPUC were combined with or transferred to CUC's corporate office following the merger in 2009. This enabled us to leverage administrative resources across CUC's regulated operations, ensure quality and efficiency in operating processes and increase access to technical resources to support FPUC's natural gas customer base. Having A&G functions reside at the corporate level allows the FPUC operations to focus on its day-to-day business of providing safe and reliable natural gas service to its customers. By receiving support from the corporate office, FPUC is able to utilize expanded resources, increasing its capability to provide a higher level of customer service, increased efficiency, and an increased ability to handle more complex and challenging business and compliance matters.

Q. Are you testifying to any other over and under adjustments on MFR C-7 (2025)?

A. Yes. The additional over and under adjustments I'm testifying to are detailed on MFR C-7 (2025) pages 7 and 8.

Q. Please discuss the adjustments being made related to Distribution Expenses - Operation?

A. In connection with the new customer information system, FPUC will expand its processes and automation related to Field Service Management. The incremental payroll costs reflect the expanded level of service that will be provided to support the new Field Service processes. Additional details related to this project are described within Witness Estrada's testimony.

Q. Please discuss the adjustments being made related to increase the Customer Accounts and Business Information Systems (BIS) expenses

A. Yes, Witness Estrada, Witness Gadgil, and I will address these changes. Salaries for customer service employees and IT professionals in the BIS departments that were capitalized to the new CIS in 2023 are for positions that are being filled in 2024 related to operating and maintaining the new CIS system. The Company did not hire or backfill positions in 2023 in anticipation of the need for more experienced resources upon completion of the CIS project, which requires a higher level of customer service experience in order to manage the expanded customer service and field service offering that the new CIS will provide. In addition to these increases in Customer Accounts expenses, these same factors are also impacting account customer service expenses and BIS expenses in account 920.

Q. Please provide support for the increase in expenses associated with expanded safety initiatives at FPUC.

A. FPUC has continued to expand its processes and use of technology to support safe and reliable operations. Safety is a critical component of our operations and our highest priority as it relates to both our customers and our employees. For example, as mentioned earlier, the Company implemented a new Safety Data Management system in 2023, which streamlined the recording and tracking of safety incidents, near misses and safety observations and provides reporting for compliance, insurance and management reporting. Additionally, there are additional costs associated with additional employee resources, uniforms and supplies to continue to improve our safety efforts.

Q. Please provide support for the increase in Employee Pension & Benefits expense from the adjusted 2023 historic year.

A. The increase in employee pension & benefits expense compared to the adjusted 2023 historic year is primarily related to increased employee benefits associated with the increased payroll cost described above. This increase is offset by a decrease in pension expense associated with the FPUC pension plan, which is based on an updated valuation from its third-party actuary, which accounts for current market conditions and estimates expense in accordance with Generally-Accepted Accounting Principles (GAAP).

<u>Intercompany Accounts Receivable / Accounts Payables</u>

Q. Please explain the accounting for intercompany accounts receivable / accounts payable.

A. CUC manages financing needs for its business units at the parent level, which is further discussed in Witness Russell's testimony. As a result, debt and equity financing needs to fund operating and capital needs are generally executed with CUC as the borrower (in the case of debt) or issuer (in the case of equity). There are no arrangements where FPUC is either a borrower under any third-party lending agreement (short- or long-term) or has issued equity to third-party investors. Therefore, FPUC does not have short-term debt, long-term debt or common stock recorded on its financial statements. Instead, FPUC participates in a centralized cash management program along with CUC's other operating subsidiaries. Under this program, daily cash management is centrally managed at the parent level for FPUC and all other subsidiaries.

Q. Does FPUC have its own financial statements for its operations even though it participates in CUC's centralized cash management program?

A. Yes, operating results for FPUC's electric division are recorded to its specific financial statement in the CUC general ledger. For example, customer billings, operating expenses and capital investment needs that are specific to FPUC are all recorded on FPUC's financial statements with the general ledger. However, because the cash transactions associated with FPUC's operations are ultimately paid for or collected by CUC, intercompany payable or receivable accounts are utilized within CUC's general ledger to track cash activity executed on behalf of FPUC.

Q. Is it appropriate to exclude the Intercompany Accounts Receivable / Accounts Payable balance from working capital?

A. Yes, it is appropriate to exclude these balances from FPUC's working capital balances. As noted above, FPUC is not the party to any third-party debt arrangement or has issued common stock to a third-party investor. As a result, funding needs for FPUC's operations are provided by CUC via the intercompany accounts. In order to account for this activity, Intercompany Accounts Receivable and Intercompany Accounts Payable balances are recorded to track the activity specific to FPUC. If FPUC's funding needs were not provided by CUC, FPUC would need to issue debt or common stock to third-parties to meet its cash needs. These amounts would be recorded as debt or equity within FPUC's financial statements and excluded from working capital. Under CUC, this is being accomplished through the centralized cash management program. For this reason, it is appropriate to exclude these balances from FPUC's working capital balance.

Q. Is the Intercompany Payable balance an interest free source of capital?

A. No. In order to calculate the cost of capital, the Company reduces its investment in rate base after adjustments by direct funding sources such as customer deposits, deferred income tax and regulatory tax liability. The net amount is allocated to cost of capital based on the parent company's debt and equity ratio. This methodology was approved in FPUC's recent gas case in Commission Order No. PSC-2023-0103-FOF-GU in Docket No. 20220067-GU. We continue to believe that a parent company's ability to invest in a regulated utility subsidiary is of vital importance, in the public interest, and should not be penalized.

Q. Does this conclude your testimony?

A. Yes.

Witness Michael Galtman's Sponsored MFRs

SCHEDULE	TITLE	WITNESS
B-1	Adjusted Rate Base	Haffecke, Galtman, Napier
B-3	13 Month Average Balance Sheet - Electric Division	Galtman, Haffecke
B-3a	14 Month Average Balance Sheet - Florida Common	Galtman, Napier
B-4	Two Year Historical Balance Sheet	Galtman
B-6	Jurisdictional Separation Factors-Rate Base	Haffecke, Galtman, Napier
B-7	Plant Balances By Account and Sub-Account	Galtman, Haffecke
B-8	Monthly Plant Balances Test Year-13 Months	Galtman, Haffecke
B-9	Depreciation Reserve Balances By Account and Sub-Account	Galtman, Napier
B-10	Monthly Reserve Balances Test Year-13 Months	Galtman, Napier
B-19	Miscellaneous Deferred Debits	Galtman, Napier
B-20	Other Deferred Credits	Galtman, Napier
B-21	Accumulated Provision Accounts-228.1, 228.2 and 228.4	Galtman, Napier
B-22	Total Accumulated Deferred Income Taxes	Galtman
B-23	Investment Tax Credits-Annual Analysis	Galtman
B-24	Leasing Arrangements	Galtman
B-25	Accounting Policy Changes Affecting Rate Base	Galtman
C-3	Jurisdictional Net Operating Income Adjustments	Napier, Galtman, Haffecke
C-5	Operating Revenues Detail	Galtman
C-6	Budgeted Versus Actual Operating Revenues and Expenses	Galtman
C-7	Operation and Maintenance Expenses-Test Year	Galtman, Haffecke, Napier
C-8	Detail of Changes in Expenses	Galtman, Haffecke, Napier
C-9	Five Year Analysis-Change in Cost	Galtman, Haffecke, Napier
C-11	Uncollectible Accounts	Galtman
C-12	Administrative Expenses	Galtman
C-13	Miscellaneous General Expenses	Galtman
C-14	Advertising Expenses	Galtman
C-15	Industry Association Dues	Galtman
C-16	Outside Professional Services	Galtman
C-17	Pension Cost	Galtman
C-18	Lobbying Expenses, Other Political Expenses and Civic/Charitable Contributions	Galtman
C-19	Amortization/Recovery Schedule-12 Months	Galtman
C-20	Taxes Other Than Income Taxes	Galtman, Haffecke
C-21	Revenue Taxes	Galtman
C-22	State and Federal Income Tax Calculation	Galtman
C-23	Interest in Tax Expense Calculation	Russell
C-24	Parent(s) Debt Information	Galtman
C-25	Deferred Tax Adjustment	Galtman
C-26	Income Tax Returns	Galtman
C-27	Consolidated Tax Information	Galtman
C-28	Miscellaneous Tax Information	Galtman
C-29	Gains and Losses on Disposition of Plant and Property	Galtman
C-30	Transactions with Affiliated Companies	Galtman
C-31	Affiliated Company Relationships	Galtman
C-32	Non-Utility Operations Utilizing Utility Assets	Haffecke, Galtman
C-33	Performance Indices	Haffecke, Galtman
C-35	Payroll and Fringe Benefit Increases Compared to CPI	Galtman
C-36	Non-Fuel Operation And Maintenance Expense Compared to CPI	Haffecke, Galtman
C-41	O & M Benchmark Variance By Function	Haffecke, Galtman
C-42	Hedging Costs	Galtman
C-43	Security Costs	Galtman, Haffecke
C-44	Revenue Expansion Factor	Galtman
D-6	Customer Deposits	Galtman
F-1	Annual and Quarterly Report to Shareholders	Galtman
F-2	Sec Reports	Galtman
F-3	Business Contracts with Officers or Directors	Galtman
G-11	Interim Operating Income Detail	Galtman
G-12	Interim State and Federal Income Tax Calculation	Galtman
G-13	Interim Interest in Tax Expense Calculation	Galtman
G-15	Interim Gains and Losses on Disposition of Plant or Property	Galtman
G-16	Interim Pension Cost	Galtman
G-17	Interim Accounting Policy Changes	Galtman
G-20	Interim - Revenue From Sale of Electricity By Rate Schedule	Galtman

Docket No. 20240099-EI
Florida Public Utilities

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing filing has been served by Electronic Mail this 22nd day of August, 2024, upon the following:

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