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October 18, 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 Company's Responses to Staff's Third Set of Data Requests.

Sincerely,

Beth Keating
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Cc: (Service List)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida Public Utilities Company.	DOCKET NO. 20240099-EI

FPUC'S RESPONSES TO STAFF'S THIRD SET OF DATA REQUESTS

1. Please provide a list, by category, of all technology costs FPUC anticipates recovering through the Technology Cost Recovery Rider (TCRR). In your response, include the anticipated implementation date and detailed description of each new project.

Company Response:

At this time, the only project the Company anticipates recovering thru the TCRR is the Enterprise Resource Planning (ERP) system that will integrate systems such as the general ledger with the Customer Information System which has been implemented this year. The Company is still determining the scope and timing of the ERP project. At this time, the financial processes (including treasury management), supply chain processes, asset management processes, and human resource processes are being considered for the project. As discussed in Witness Gadgil's testimony, the investment in this project is expected to optimize our workforce needs and reduce future costs. The Company hopes to complete the ERP project by September 2026. Any future use would only be proposed for technology capital investments over $500,000 on a consolidated basis once placed in service.

2. Please provide the projected term of the TCRR as well as the anticipated initial implementation of the TCRR.

Company Response:

Any TCRR investment and costs would be rolled in to the next rate case and the TCRR rider would be set to zero for any future additional investments.

3. If the Commission approves the TCRR, please describe whether FPUC has any plans to move the assets to base rates in the future.

Company Response:

Yes, all TCRR investments would be rolled into rate base and expenses in the next rate case.

4. Please provide any prior Commission orders in which the Commission has approved new and updated technology costs to be recovered through a rider surcharge.

Company Response:

The Company is not aware of any orders approving a technology rider. However, technology changes rapidly and a recovery mechanism for these investments would save the customers the additional costs related to preparation of rate cases or limited proceedings. The rider would also allow the Company to implement beneficial prudent technology improvements on a more regular basis over time benefiting customers with additional service capabilities as well as allow more efficient and effective technology improvements to drive the most effective operations. In addition, it is worth noting that this rider is similar to the GRIP, GUARD, and SAFE programs. Although the underlying purpose differs, the technology being implemented is ultimately necessary and will provide well-defined benefits to customers. Likewise, the recovery mechanism is very similar to those existing programs.

5. Please provide estimated initial monthly TCRR charges for all rate classes.

Company Response:

At this time, the Company does not have a complete estimate for the ERP project. However, as stated in the tariff, the Company would provide the information to the Commission in advance of any rider implementation so it could review for prudency.

6. Paragraph 24 of the petition refers to FPUCs intention to close all non-LED lighting tariffs to new customers and that a replacement program will be introduced in the conservation docket. Since FPUC was informed by staff that the conservation docket is not the appropriate docket to introduce the new lighting program, please explain whether FPUC believes that it needs to revise and resubmit any of the testimony and or schedules filed in Docket No. 20240099-EI.

Company Response: No, the Company does not plan to revise and resubmit any of the testimony and/or schedules filed in Docket No. 20240099-EI. The Company will be requesting approval of the program as an additional component of its 90-day filing to be made in compliance with Rule 25-17.0021(4), F.A.C.

7. Proposed Original Sheet No. 6.016 adds language stating that the company will not issue a bill for service of less than 15 days but that the partial month amount will be added to the next full bill. Please explain if the partial month amount will be shown as a separate line item on the customer's bill.

Company Response:

This amount will not be shown as a separate item on the customer's bill but will be included

in the next bill. The bill will show the billing period start and end and display the number of days within that period.

8. Proposed Original Sheet No. 6.021 (Miscellaneous Service Charges), indicates that the Initial establishment of service is proposed to be increased from $61 to $125. Please explain the increase in cost differences.

Company Response:

MFR E-13b describes each component in detail including hours to complete and rates. The following is a summary comparison of the four major types of costs. More detailed information is contained in MFR E-13b.

Summary of E-13b:	Docket 20140025-EI	Docket 20240099-EI	Difference
Administrative Labor	10.51	14.18	3.67
Clerical Labor	6.24	10.63	4.39
Service Labor	30.76	62.41	31.65
Transportation Cost	13.50	37.34	23.84
	61.01	124.56	63.55

The main reasons for the increase are:

a. The first three categories increased due to an increase in the average hourly rate.

b. The clerical labor increased due to an increase in time from .25 hours to .35 hours.

c. Transportation costs have increased significantly since 2014 due to increased vehicle costs, fuel, and insurance.

9. Proposed Original Sheet No. 7.026, Hurricane Michael Surcharge, shows that the GSLD- 1 class would be billed $190,208 annually. Please provide cost support to show the calculation of that amount.

Company Response:

The amount was calculated using the rate for Hurricane Michael/Dorian storm surcharge of $0.01280 times the 2020 Budgeted KWH filed in Docket 20190156-EI of 14,860,000 for Industrial customers. The KWH filed in that docket were used to generate the surcharge rate of $0.01280. By using this amount, the Company ensures recovery of the initial amount requested for these two customers. The change is necessary due to the change in firm usage due to the non-firm energy tariff.

10. With reference to current Fifth Revised Sheet No. 50 (Rate Schedule GSLD-1, proposed Original Sheet No. 7.010), please state why the company is proposing that the Conservation Costs will not be applicable to the GSLD-1 rate class. Has this change been proposed in the 20240002-EG docket?

Company Response:

GSLD-1 customers' KWHs were not included in the calculation of the conservation rates proposed for 2025. Witness Craig's testimony in that docket discussed elimination of the GSLD-1 and Standby customers. (See, September 12 Craig Testimony at pg. 3). Moreover, and given that the change to special contracts is uncertain, removal of these customers is still reasonable, because there are no conservation programs that impact either of these two customers and they have never taken advantage of any conservation assistance.

11. Current Original Sheet No. 51 (proposed Original Sheet No. 7.011) has a proposed revision to the Minimum Demand (Non-Coincident Peak (NCP) Billing Demand) language to state that the Maximum Demand NCP Billing Demand shall be the greatest one hour average load in any month. Why is FPUC proposing to revise the fifteen minute average load to a one hour average load?

Company Response:

During the 2014 rate proceeding, the wholesale energy provider used a 15 minute interval for billing purposes which necessitated using the 15 minute interval to accurately assess the GSLD-1 customer's impact on the monthly wholesale energy bill. However, the current wholesale energy provider uses a one hour interval for billing purposes which necessitated the modification in order to accurately assess the GSLD-1 customer's impact on the monthly wholesale energy bill. This ensures the GSLD-1 customer is billed for the monthly bill impact.

12. On page 21 of his direct testimony, witness Haffecke, states that the one large industrial standby tariff customer would be moved to the GLSD1 tariff. Please state if the customer has been informed of this proposed change and, if yes, whether the customer agrees with FPUC's proposal. If not, please explain when FPUC plans to discuss this with the customer. In your response, discuss the impacts on the customer's bill as a result of being moved to the GSLD1 tariff.

Company Response:

The one large industrial standby customer has been contacted regarding the proposed

change that would move them to the GSLD-1 tariff. The customer has questions regarding the change and we are currently working through the process of providing information to the customer at this time. However, the majority of the questions are related to the purchased power charges including termination of the experimental non-firm energy tariff and not the GSLD1 tariff charges being addressed in this proceeding. The base Transmission Demand Charge would represent a decrease in cost to the customer. The Excess Reactive Demand Charge will be a new charge but, based on the review of previous bills, this will not come into play based on the power factor at the facility.

13. On page 22 of his direct testimony, witness Haffecke, states that the Company is proposing to close all lighting classes other than the LED class. In Order PSC-2022-0132-TRF-EI, the Commission approved FPUC's petition to close the existing lighting tariff to new business and to introduce a new LED lighting tariff. Please explain how this proposal differs from what the Commission approved in 2022.

Company Response:

It does not differ. This was an error in Witness Haffecke's testimony that will be corrected.

14. Referring to Customer Expectations on page 10, lines 11-21, of witness Haffeke's direct testimony, please clarify whether these proposed costs would be recovered through the proposed Technology Cost Recovery Rider or base rates.

Company Response:

The section of the testimony referred to relates to the new customer information system

which is already being implemented in 2024. The ERP project, which is the only project currently expected to be requested in the TCRR in the near term is mainly discussed in Witness Gadgil's testimony on page 16.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by Electronic Mail to the following parties of record this 18th day of October, 2024:

Suzanne Brownless Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850 sbrownle@psc.state.fl.us discovery-gcl@psc.state.fl.us	Walt Trierweiler/P. Christensen / Charles Rehwinkel/Mary Wessling/Octavio Ponce/Austin Watrous Office of Public Counsel c/o The Florida Legislature 111 W. Madison Street, Room 812 Tallahassee, FL 32399-1400 Trierweiler.Walt@leg.state.fl.us Wessling.Mary@leg.state.fl.us Rehwinkel.Charles@leg.state.fl.us Christensen.patty@leg.state.fl.us Ponce.octavio@leg.state.fl.us Watrous.austin@leg.state.fl.us
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