

December 5, 2024

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

**BY E-FILING**

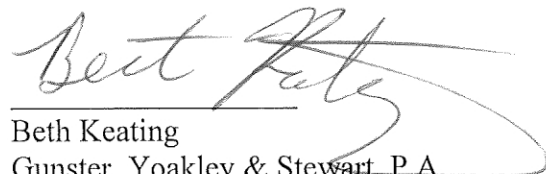
Mr. Adam Teitzman, Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

**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 Fifteenth Set of Data Requests. Attachments referenced in the responses are Excel files and not attached to the filed document. They will be provided to staff and parties via email.

Sincerely,



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

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 FIFTEENTH SET OF DATA REQUESTS

1. Has FPUC made the appropriate adjustments to remove all storm hardening revenues and expenses recoverable through the SPPCRC for the 2025 projected test year?
  - a) Please explain how FPUC made the appropriate test year adjustments to remove revenues and expenses recoverable through the SPPCRC and where this is shown in the filings.
  - b) Explain how FPUC ensures that there is no double recovery between base rate revenue and SPPCRC revenue.
  - c) Does FPUC have an audit process to ensure that the methodologies used to track costs recovered through its various storm hardening and protection riders, including the SPPCRC, are appropriately implemented and followed? If not, why not?
  - d) What percentage of FPUC's storm hardening revenue and expense is recovered through the SPPCRC and what percentage is recovered through base rates?

**Company Response:**

- a. **First, to calculate 2024 revenues, the Company multiplied the SPPCRC rates for each year times the projected billing determinants of customers and usage to arrive at revenue included in MFR C-5 for 2024 and 2025 and removed the same amounts on C-2 for 2024 and 2025.**

**For expenses, Company has separate subaccounts for the SPPCRC costs. The Company increased 2023 costs for the accounts that included these SPP costs by inflation and growth in MFR C-7 for 2024 and 2025, and therefore, used the same methodology to determine the amount of SPP costs included in the filing by increasing the 2023 SPP costs using the same inflation and growth. In addition, MFR C-7 (2024, 2025) pages 7 and 8 reflect an increase to adjust these costs to the amounts projected in the Company's SPPCRC 2024 and 2025 filings. These total amounts were then removed on MFR C-2 for 2024 and 2025. However, in removing these costs, the Company inadvertently removed the 2024 cost for inspection instead of the 2025 inspection cost which resulted in expenses net of taxes for 2025 being overstated by \$57,238.**

**Amounts were also removed for depreciation, taxes other than income tax, and income tax. The calculations of all are provided on the attached file "DR 15.1a for SPP Adjustments".**

**b. Actual revenues and expenses are recorded to specific general ledger accounts so they can be identified and incorporated in the reports filed for SPPCRC.**

**c. Yes, when new programs are approved by the Commission and a regulatory asset/liability is created, there is testing by internal audit to ensure amounts are recorded as approved. Also, costs determined by staff for filings are reviewed by several levels of managers and are audited by the PSC auditors.**

**d. When the Storm Protection Plan Cost Recovery Clause was implemented, the Company determined what costs that would now be reported in the recovery clause were included in the base rate calculation in Docket 20140025-EI. These costs amounted to \$975,504 and have been consistently removed from the SPPCRC filings. Since base rates are again being proposed in this docket, the Company is now proposing the removal from base**

**rates of all Storm Hardening/SPP related costs and that those costs be recovered, going forward, through the SPPCRC clause. Therefore, the Company has removed the \$975,504 as a separate adjustment on MFR C-2 (2025). The intent being that no tree trimming, pole inspection or other SPPCRC-related costs be included in base rates.**

2. Provide a description of the methodology(ies) used by FPUC to track costs recovered through the SPPCRC, and exclude them from the components of the base revenue requirement in this proceeding.

**Company Response:**

**Please refer to the response to question 1 above.**

3. Please identify all SPPCRC includable costs that FPUC recorded, by account, in 2023 and expects to record in 2024 and 2025.


**Company Response:**

**Please refer to the response to question 1 above.**

**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 5th day of December, 2024:

<p>Suzanne Brownless Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850 <a href="mailto:sbrownle@psc.state.fl.us">sbrownle@psc.state.fl.us</a> <a href="mailto:discovery-gcl@psc.state.fl.us">discovery-gcl@psc.state.fl.us</a></p>	<p>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 <a href="mailto:Trierweiler.Walt@leg.state.fl.us">Trierweiler.Walt@leg.state.fl.us</a> <a href="mailto:Wessling.Mary@leg.state.fl.us">Wessling.Mary@leg.state.fl.us</a> <a href="mailto:Rehwinkel.Charles@leg.state.fl.us">Rehwinkel.Charles@leg.state.fl.us</a> <a href="mailto:Christensen.patty@leg.state.fl.us">Christensen.patty@leg.state.fl.us</a> <a href="mailto:Ponce.octavio@leg.state.fl.us">Ponce.octavio@leg.state.fl.us</a> <a href="mailto:Watrous.austin@leg.state.fl.us">Watrous.austin@leg.state.fl.us</a></p>
<p>Michelle Napier Florida Public Utilities Company 1635 Meathe Drive West Palm Beach FL 33411 <a href="mailto:mnapier@fpuc.com">mnapier@fpuc.com</a></p>	

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