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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 20240099-EI

Petition for rate increase by Florida
Public Utilities Company.

PROCEEDINGS: SPECIAL COMMISSION CONFERENCE

COMMISSIONERS
PARTICIPATING: CHAIRMAN MIKE LA ROSA
COMMISSIONER ART GRAHAM
COMMISSIONER GARY F. CLARK
COMMISSIONER ANDREW GILES FAY
COMMISSIONER GABRIELLA PASSIDOMO SMITH

DATE: Tuesday, March 20, 2025

TIME: Commenced: 2:30 p.m.
Concluded: 2:50 p.m.

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: DEBRA R. KRICK
Court Reporter and Notary
Public in and for the State
of Florida at Large

PREMIER REPORTING
TALLAHASSEE, FLORIDA
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1 P R O C E E D I N G S

2 CHAIRMAN LA ROSA: All right. Well, good
3 afternoon, everybody. Today is March 20th, and
4 this is our Special Agenda Conference. Let's go
5 ahead and get us started with -- Ms. Guffey, can
6 you introduced item?

7 MS. GUFFEY: Good afternoon, Chairman and
8 Commissioners. Sevini Guffey with the Division of
9 Economics.

10 Item 1 addresses Florida Public Utilities
11 Company's petition for a base rate increase. At
12 the March 4th Agenda Conference, the Commission
13 approved FPUC's revenue requirement increase as
14 shown in Attachment A to the recommendation. The
15 Commission also voted on issues addressing forecast
16 of customers rate base, cost of capital and cost of
17 service methodology.

18 Today, we are here to discuss FPUC's rates and
19 tariffs addressed in Issues 51 through 53, 61, 62
20 and Issue 65, which were not voted on at the
21 March 4th Agenda.

22 Issue 51 through 53 addresses customer
23 facilities demand and energy charges. These have
24 been calculated based on the Commission-approved
25 total revenue requirement for FPUC.

1 Issues 61 and 62 address tariffs effective
2 date and the approval of tariffs. And staff
3 recommends approval of the tariffs and associated
4 charges as shown in Attachment B to the
5 recommendation.

6 Staff also notes that there is a scrivener's
7 error on page five of paragraph -- page two in
8 paragraph five of the staff recommendation. FPUC
9 revenue requirement increase should read \$9,839,666
10 instead of 9,675,171. The current revenue
11 requirement increase will also be reflected in the
12 consummating order.

13 In Issue 65, staff recommends that the more
14 timely this file, this docket should be closed
15 after the consummating order is issued.

16 Thank you.

17 CHAIRMAN LA ROSA: Excellent. Thank you for
18 that summary. And although not officially asking
19 to speak, any of the parties have anything to say?
20 No?

21 MS. KEATING: No.

22 CHAIRMAN LA ROSA: Okay. Excellent.

23 All right. Commissioners, this is back to us
24 in our hands. Is there discussion on the issues
25 before us in Item 1?

1 Commissioner Clark.

2 COMMISSIONER CLARK: Thank you, Mr. Chairman.

3 Two things I would request. When we are ready
4 to vote, I would like to take Issue 53 separate
5 from the remaining issues and vote on it
6 separately. It has tiered charges in it. I have
7 expressed a number of times my concern about
8 inclining block rate charges, especially in the
9 residential. I do not support those, therefore, I
10 would like to take Issue 53 separate from the rest
11 of it.

12 And I have a question, just for my own
13 knowledge, and maybe Ms. Keating can answer this
14 question.

15 In your GSD, your large -- your large demand
16 tariff, looking at the kilowatt hour rate, it's --
17 I am just a little bit perplexed, it is .39 cent
18 per kilowatt hour. Your typical rates are seven,
19 eight, six, and this one is .39 on a 500 kW load.
20 Is that correct? That's a very low kilowatt hour
21 price.

22 MS. KEATING: I believe that's correct. Let
23 me make sure and confirm.

24 COMMISSIONER CLARK: The other one is .4 also.
25 I believe it's the --

1 MR. WRIGHT: Commissioner, it's the base
2 energy charge. It's not the fuel charge. It's
3 just the base energy charge and the rest is in --
4 the rest is in --

5 COMMISSIONER CLARK: The rest is --

6 MR. WRIGHT: -- nonenergy --

7 COMMISSIONER CLARK: -- of the energy would be
8 in the fuel. Okay.

9 MR. WRIGHT: And charges.

10 COMMISSIONER CLARK: That would probably make
11 me feel more -- that was just too low. That makes
12 more sense. The rest of it would be in fuel. Got
13 it.

14 MR. WRIGHT: Yeah.

15 COMMISSIONER CLARK: Thank you. Or of this
16 case purchased power, would that be correct?

17 MS. KEATING: That is correct.

18 COMMISSIONER CLARK: Okay. Thank you very
19 much. That clarifies it.

20 MS. DRAPER: Commissioner, Elisabeth Draper,
21 maybe an additional clarification. If you look at
22 the GSLD rate, there are really three charges, a
23 customer charge, a demand charge and a --

24 COMMISSIONER CLARK: Right.

25 MS. DRAPER: -- base energy charge.

1 COMMISSIONER CLARK: Right.

2 MR. BREMAN: All three charges together are
3 designed to produce the revenue requirement
4 allocated to the class --

5 COMMISSIONER CLARK: Right.

6 MS. DRAPER: -- and their demand charge is
7 higher than the GSD class --

8 COMMISSIONER CLARK: Correct. It was \$9.

9 MS. DRAPER: -- so is the customer charge. So
10 the revenues, you know, so it's not just looking at
11 one charge, you --

12 COMMISSIONER CLARK: Yeah, no, I ran -- I ran
13 the numbers on a 500 kW load at 100 percent load
14 factor, and it was, like, \$5,000 in demand charges
15 but there was only \$1,400 in energy, but I did not
16 add purchased power back into it. That was the
17 line missing from the rate sheet. So I appreciate
18 y'all pointing that out. Thank you, though.

19 CHAIRMAN LA ROSA: Any other Commissioners
20 have any questions for staff or offer a comment?

21 All right. So seeing none, I will open to the
22 floor for a motion, but, of course, at the request
23 of Commissioner Clark was to pull Issue No. 53
24 aside. So then that would leave us remaining would
25 be 51, 52, 61, 62 and 65.

1 COMMISSIONER CLARK: Mr. Chairman, I would ask
2 that -- ask legal staff if I have the right issue,
3 because -- and the reason I picked that Issue 53 is
4 because that is the only one that has energy
5 charges, and this is energy, this is specific to
6 the energy charge. Am I on the right -- am I doing
7 that right then?

8 MS. HELTON: I am going to defer to Ms.
9 Brownless on that.

10 COMMISSIONER CLARK: She nodded me.

11 MS. BROWNLESS: Yes, sir.

12 CHAIRMAN LA ROSA: So that's the answer?

13 COMMISSIONER CLARK: Yes.

14 CHAIRMAN LA ROSA: Okay. Awesome, as I am
15 fling through it.

16 Okay. Commissioners, back to us. Any
17 thoughts, questions or I will hope open the floor
18 for a motion.

19 Commissioner Fay, I am sorry, I did not see
20 you.

21 COMMISSIONER FAY: Thank you, Mr. Chairman.

22 I just wanted to ask staff, maybe it's more
23 technical. Just -- so, Mr. Chairman, did you want
24 to vote on the other tissues other than 53 and then
25 let me ask my questions, or is it appropriate to do

1 it now?

2 CHAIRMAN LA ROSA: Yeah. So we can either
3 take them up as a block or we can take them up
4 individual.

5 COMMISSIONER FAY: Okay, because my question
6 is on 53.

7 CHAIRMAN LA ROSA: All right. Then, yeah, we
8 can -- we can -- however you would like to. We can
9 address that now or come back.

10 COMMISSIONER FAY: Yeah, I will go ahead and
11 ask now if that's appropriate.

12 CHAIRMAN LA ROSA: Yeah.

13 COMMISSIONER FAY: So just for clarity, based
14 on Commissioner Clark's comments, the energy
15 charges as a whole, the -- we voted on the revenue
16 requirement, so the tiered component is essentially
17 just the question of how that allocation is within
18 that specific tariff, correct?

19 MS. DRAPER: The tiered energy charges is more
20 a rate design question. It does not change the
21 allocation to that class. It's just that the
22 charge -- the lower thousand kilowatt hours is a
23 little lower, and the charge above a thousand
24 kilowatt hour is a little bit higher, but it's
25 still designed to produce the same revenue

1 requirement.

2 Tiered energy charges have been in place for
3 many years, and all the electric investor-owned
4 utilities have it, so it's not unique to FPUC.

5 COMMISSIONER FAY: Okay. And then the, I
6 guess, alternative, is -- the recommendation
7 obviously just says we are approving -- like we had
8 the other issues we took up, and now we have got
9 the final rate approval. So this is just talking
10 about approving that tariff.

11 Is there -- I guess what is -- the alternative
12 would be, I guess, not tiered or some separate
13 numbers tiered, essentially, that would be part of
14 this recommendation, is that -- I am just trying to
15 make sure I understand what sort of a yes or a no
16 vote would be on that issue.

17 MS. DRAPER: The alternative would be to have
18 a flat energy charge. There would be the same
19 charge applicable to all kilowatt hours consumed,
20 and if --

21 COMMISSIONER FAY: So it wouldn't go up until
22 you get to a certain number?

23 MS. DRAPER: Yes, and you would have to, I
24 guess, direct to the company to design rates or
25 refile the tariffs with a flat energy charge as

1 opposed to a tiered energy charge.

2 COMMISSIONER FAY: Okay. Great.

3 CHAIRMAN LA ROSA: And that would fall
4 somewhere between three cents -- 3.02 cents and
5 4.98?

6 COMMISSIONER CLARK: It's a revenue neutral
7 calculation, though --

8 MS. DRAPER: Correct.

9 COMMISSIONER CLARK: -- correct? It's revenue
10 neutral.

11 MS. DRAPER: And the flat charge would be like
12 you said, somewhere in between. And these tiered
13 charges were originally approved to induce
14 conservation, you know, have customers that consume
15 more conserve energy. That was the purpose of
16 tiered energy charges.

17 CHAIRMAN LA ROSA: Commissioner Clark.

18 COMMISSIONER CLARK: And that is -- that is
19 part of my -- that's the concern I have expressed
20 for a number of years, is typical residential
21 consumption is higher than if it was a thousand
22 kilowatt hours. You are actually punishing
23 customers during specifically high usage times. If
24 you look at shoulder months, yeah, you probably get
25 the bulk of your energy at the thousand price, but

1 when you get into the summer months, you get into
2 the winter months, when bills typically escalate,
3 it's just making it more difficult for customers to
4 pay because the incremental kilowatt hours over a
5 thousand are at a higher rate.

6 And if you actually blend the rates back and
7 go to look for the revenue neutral number, it's not
8 necessarily an average of the two. It's probably
9 based on the bulk of kilowatt hours being sold in
10 the first thousand block is probably going to lean
11 back toward the thousand kilowatt hour price. It
12 would be a lower than average number between the
13 two numbers if you did a -- if you did a single
14 price per kilowatt hour.

15 MS. DRAPER: And I would like to point out
16 that the fuel charges are also tiered, and this is
17 not at issue here, so...

18 COMMISSIONER CLARK: We don't have those in
19 the tariff --

20 MS. DRAPER: They are here, but --

21 COMMISSIONER CLARK: -- correct.

22 MS. DRAPER: It would be an issue for the
23 fuel.

24 COMMISSIONER CLARK: We are going to get to
25 that then.

1 CHAIRMAN LA ROSA: Yeah. Yeah.

2 Commissioners, any further questions to what
3 has been discussed?

4 Okay. Open the floor for a motion.

5 COMMISSIONER GRAHAM: Thank you, Chairman.

6 I will move staff recommendation on Issues 51,
7 52, 61 and 62.

8 CHAIRMAN LA ROSA: What about -- okay. And
9 then 65?

10 COMMISSIONER GRAHAM: I think after we do 53.

11 CHAIRMAN LA ROSA: Okay. That's a good point.

12 All right. Hearing a motion for 51, 52, 61,
13 62, is there a second?

14 COMMISSIONER PASSIDOMO SMITH: Second.

15 CHAIRMAN LA ROSA: Hearing a second.

16 All those in favor signify by saying yay.

17 (Chorus of yays.)

18 CHAIRMAN LA ROSA: Yay.

19 Opposed no?

20 (No response.)

21 CHAIRMAN LA ROSA: Show that Items 51, 52, 61
22 and 62 passes.

23 So that leaves us Items 53 and Items 65.

24 Commissioners, the ball is in our court,
25 questions on these items? I know we just had some

1 discussion.

2 Commissioner Fay.

3 COMMISSIONER FAY: Thank you, Mr. Chairman. I
4 just have one quick comment.

5 I want to make sure Commissioner Clark's point
6 is clear in that I think -- I just don't want it to
7 be taken out of context. I think from what I
8 understand you saying, Commissioner Clark, I mean,
9 the -- there is sort of a debate of tiered or not.
10 The individual he uses under that tier, if all
11 things remain equal under the tiered system would
12 pay less than the individual who goes over that and
13 is higher. If it's just one flat and everybody is
14 in the same rate, then depending on where you fall,
15 I am not arguing one is better than the other.

16 I think it -- I appreciate you bringing it up
17 actually, because I -- inherent in this is that
18 point of -- a decision point, and I think that
19 there is probably, like, a good discussion to be
20 had in the future about how that impacts customers
21 one way or another, because I initially -- my
22 initial reaction is the people who use less under
23 that are trying to keep that bill as possible would
24 benefit from that tiered system, but you may have a
25 residential home with lots of folks in it that are

1 low-income, that are running the AC just to make it
2 viable. And so for those folks, to your point, it
3 would be harder for them to pay that bill based on
4 that structure. And I am -- I am not arguing it's
5 a huge shift one way or another, but it does impact
6 that rate.

7 So I appreciate you bringing it up and, you
8 know, although right now, I think fundamentally I
9 may disagree kind of where it lands. I do
10 understand that what you are pointing out is a
11 valid concern as to who those individuals at that
12 top tier might be paying more at the end of the
13 day.

14 So I didn't want to take my debate
15 interpreting your impact of low-income customers.
16 I think you are just raising the issue of how those
17 numbers impact customers in general depending on
18 where they are, and I think that's a fair question
19 to have.

20 So I will be voting yes on Issue 53, but with
21 that said, I look forward to looking more into how
22 those structures, either positively or negatively,
23 impact customers, and more importantly, just the
24 residential customers that are impacted by that, so
25 thank you.

1 CHAIRMAN LA ROSA: Commissioner Clark.

2 COMMISSIONER CLARK: Thank you, Commissioner
3 Fay. I appreciate -- I appreciate the
4 clarification. And you are absolutely right, I
5 have been making this statement for a number of
6 years. I do not like it. It is a conservation
7 rate. It was designed and put in place by most
8 utility companies to encourage conservation. It's
9 contrary to how the actual cost of energy is
10 generated.

11 When you generate energy, until you get to a
12 certain point, the more kilowatt hours that you
13 produce or use, it should be a lower cost. It
14 should be a lower cost. And so when you -- the way
15 we are selling them and the way they are being
16 generated kind of in two different buckets, and I
17 just don't think that it sends the right message.

18 It's also, from a person who has done energy
19 conservation work, when you get into typical winter
20 bills and heavy summer bills in homes that don't
21 have energy efficient features, you are looking at
22 2,000, 3,000 and 4,000 kilowatt hours of usage in
23 these homes. I have done audits in single-wide
24 trailers with five ton air conditioning units, and
25 there would be 4,000 and 5,000-kilowatt-hour usage

1 per month. And we are just punishing these folks
2 more and more and more with what we consider to be
3 a conservation rate.

4 Nobody thinks in the middle of July 1, when
5 it's 105 degrees outside, that I've got to
6 consume -- I've got to be concerned about that
7 second thousand kilowatt hours and the fact that
8 it's two cent a kilowatt hour higher. That's not a
9 thought that comes to their mind. They want to
10 stay cool. They want to stay comfortable, and they
11 are want to do what they have to do. And we are
12 just continuing to punish that user that's using
13 more kilowatt hours.

14 Kilowatt hour consumption in houses just
15 continues to grow based on the number of things we
16 have brought inside the houses over the years. How
17 many additional appliances and devices do we have
18 we didn't have 25 or 30 years go? So I think we
19 need to stop looking at this as a conservation rate
20 and call it what it is. It's punishing high users.

21 Thank you, Mr. Chairman.

22 CHAIRMAN LA ROSA: Commissioners, further
23 questions or thoughts?

24 Seeing none, we can go ahead and open the
25 floor for a motion. So what's still up is 53 and

1 65.

2 COMMISSIONER FAY: Okay. Mr. Chairman, I
3 would move for approval on Issues 53 and 65.

4 CHAIRMAN LA ROSA: Hearing a motion, is there
5 a second?

6 COMMISSIONER GRAHAM: Second.

7 CHAIRMAN LA ROSA: Hearing a motion and
8 hearing a second for 53 and 65.

9 All those in favor signify by saying yay.

10 (Chorus of yays.)

11 CHAIRMAN LA ROSA: Yay.

12 Opposed no?

13 COMMISSIONER CLARK: Nay.

14 COMMISSIONER PASSIDOMO SMITH: No.

15 CHAIRMAN LA ROSA: Show of that 53 and 65
16 passes as recommended by staff.

17 All right. So seeing no further items before
18 us, I am going to look for staff. Are we good?
19 Was that clear? Yes? Okay.

20 MS. BROWNLESS: Yes, sir.

21 CHAIRMAN LA ROSA: Sorry. I was looking at
22 the wrong direction. Gotcha.

23 MS. HELTON: Let me ask this: When
24 Commissioner Clark and Commissioner Passidomo Smith
25 dissented, were they dissenting just from 53 or

1 also from 65, which is to close the docket?

2 COMMISSIONER CLARK: Just 53.

3 CHAIRMAN LA ROSA: Yeah. So let's -- yeah.
4 So make -- that's why I asked.

5 Let's go back and what is the recommendation
6 to undo that? And I guess Commissioner Fay might
7 be able to jump --

8 COMMISSIONER FAY: Yeah.

9 CHAIRMAN LA ROSA: -- in on that.

10 COMMISSIONER FAY: Mr. Chairman, if
11 appropriate, then I would like to restate the
12 issues for voting for clarity purposes, because I
13 think legal makes --

14 CHAIRMAN LA ROSA: Yeah.

15 COMMISSIONER FAY: -- a valid point. I also
16 think that the poor utilities will bring a PAA to
17 us again. This has gotten a little more
18 complicated than everyone wanted it to be, but will
19 first motion to approve Issue 53 as recommended.

20 COMMISSIONER GRAHAM: Second.

21 CHAIRMAN LA ROSA: All right. So hearing a
22 motion on just 53 and hearing a second.

23 All those in favor signify by saying yay.

24 (Chorus of yays.)

25 CHAIRMAN LA ROSA: Yay.

1 Opposed no?

2 CHAIRMAN LA ROSA: No, you are no?

3 COMMISSIONER CLARK: I thought we just did
4 that. Did I miss something?

5 COMMISSIONER FAY: We also voted on 65,
6 Commissioner Clark, at the same time. So to cure
7 that, we are just going to have a separate vote.

8 COMMISSIONER CLARK: I am sorry.

9 COMMISSIONER FAY: Yeah. Yeah. Yeah. Unless
10 you oppose closing the docket, which --

11 COMMISSIONER CLARK: Apologies.

12 COMMISSIONER FAY: -- you just want to undo.

13 CHAIRMAN LA ROSA: So show that 53 passes --
14 Item -- or Issue 53 passes.

15 Now what's remaining is Item 65.

16 COMMISSIONER FAY: Thank you, Mr. Chairman.
17 Excuse me, Commissioner. Is that a five to four
18 vote or a five -- or a five to three vote?

19 CHAIRMAN LA ROSA: Three to two.

20 MS. BROWNLESS: Three to two. I am sorry.

21 CHAIRMAN LA ROSA: I thought that was a trick
22 question. I was --

23 MS. BROWNLESS: No, just confused.

24 CHAIRMAN LA ROSA: Okay. No. No. No.
25 That's -- and it's partly my doing here.

1 Okay. So 53 is spoken for. 65 is still on
2 the table. So Issue 65.

3 COMMISSIONER FAY: With that, Mr. Chairman, I
4 will move for approval on Issue 65.

5 COMMISSIONER CLARK: Second.

6 CHAIRMAN LA ROSA: Hearing a motion and
7 hearing a second.

8 All those in favor signify by saying yay.

9 (Chorus of yays.)

10 CHAIRMAN LA ROSA: Yay.

11 Opposed no?

12 (No response.)

13 CHAIRMAN LA ROSA: Show that Item 65 passes.

14 Just give a head nod to staff, we are good?

15 MS. BROWNLESS: Yes, sir.

16 CHAIRMAN LA ROSA: Excellent.

17 All right. Well, sorry for the -- for coming
18 off the rails a little bit there, but I think we
19 are clear.

20 Seeing no further business before us, this
21 conference shall conclude. Thank you, guys.

22 (Proceedings concluded.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, DEBRA KRICK, Court Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED this 1st day of April, 2025.


DEBRA R. KRICK
NOTARY PUBLIC
COMMISSION #HH575054
EXPIRES AUGUST 13, 2028