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STATE OF FLORIDA



DIVISION OF ECONOMICS
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Public Service Commission

April 18, 2025

STAFF'S FIRST DATA REQUEST

Via Email

Beth Keating, Esquire
On behalf of Florida Public Utilities Company
Gunster, Yoakley & Stewart, P.A.
215 South Monroe Street, Suite 601
Tallahassee, Florida 32301
bkeating@gunster.com

Re: Docket No. 20250057-GU - Petition for approval of tariff modification for equipment financing, by Florida Public Utilities Company.

Dear Ms. Keating:

By this letter, the Commission staff respectfully requests Florida Public Utilities Company (FPUC, or utility) provide responses to the following data requests:

1. In its Petition at Page 1, FPUC states that the proposed tariff will allow it "to provide and finance compression, conversion, or RNG equipment for its customers."
 - a. Please explain what specific equipment types fall under each of these categories (compression, conversion, or RNG equipment).
 - b. Please address whether different financing terms, options, or offerings are applicable for each category.
 - c. Please address whether different financing terms, options, or offerings are applicable for residential and commercial customers.

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- d. Please explain where on the bill financing charges will appear, and whether such charges will be separately identified. For demonstrative purposes, provide a sample bill or mock-up showing where such charges would appear.
- e. Please describe the accounting treatment for the proposed equipment sales and finance charges.
- f. With the “equipment to be owned and maintained by the Customer”, such that FPUC plant and reserve account balances do not appear to be impacted, please clarify whether any of the expenses associated with the provision of gas conversion, compression, or RNG equipment (e.g. depreciation, O&M, marketing, administrative and general) and revenues associated with rates in monthly rate section of the agreement are expected to be treated as “above the line” (i.e. regulated) or “below the line” (unregulated). Explain.
- g. Are customers who rent their residence, including those in multifamily dwellings or apartment complexes, eligible to participate in the proposed equipment financing program? If so, please explain how the Company will manage ownership, access, and repayment responsibilities in such cases.
- h. In the event a customer makes only a partial bill payment, how will the Company allocate the payment across base charges, usage, and financing charges? Under what circumstances, if any, would a customer be subject to disconnection while still carrying a balance related to equipment financing?

2. Paragraph 4 of the Petition (Page 2) references that, pending approval, the utility and the customer would enter into an agreement to recover equipment costs, plus interest.
 - a. Is a single agreement applicable for all equipment types identified (conversion, compression, and RNG)? Please provide a sample agreement, or one for each equipment type, if applicable. If sample agreement(s) cannot be provided, discuss why not.
 - b. What is the basis for the interest rate charged? Address in your response if the interest rate is fixed, variable, or negotiated with each agreement.
 - c. Please explain whether customers who enter into equipment financing agreements will be subject to creditworthiness screening prior to approval. If so, describe what metrics or financial thresholds will be used, and what documentation applicants will be required to submit.
 - d. Please explain whether the cost of installing the equipment is included with the cost of the equipment for purposes of determining the amount subject to financing and cost recovery. Will FPUC install the equipment directly, or will installation be performed by a third-party contractor(s)?
 - e. Please discuss whether the equipment being financed remains the property of the customer throughout the repayment period or whether FPUC will retain ownership until the equipment is paid in full. If FPUC retains ownership, explain what rights it has to access or reclaim the equipment in the event of nonpayment.
 - f. What terms and conditions are applicable if a customer fails to make payments (i.e. defaults on the agreement)?
 - g. Please explain whether non-participating ratepayers may bear any risk or cost associated with this proposed equipment financing program, either directly or indirectly, and what those risks might be. If not, please describe the internal mechanisms that will be used to ensure that only participating customers are liable for the financing and administrative costs of the program.

3. Paragraph 4 of the Petition (Page 2) references that, pending approval, the tariff modification is intended to “help customers facilitate their conversion costs to help ease the transition to natural gas.”
 - a. Is the transition referenced an “electric to gas” conversion? Is financing limited to conversions only, or is it available for a “gas-to-gas” efficiency upgrades? Please explain.
 - b. Please discuss the nexus of this proposed tariff provision and the offering of programs under the Natural Gas Conservation Cost Recovery Clause (NGCCRC)?
 - c. Please explain whether the proposed equipment financing provision is expected to impact participation levels, cost-effectiveness, or customer savings associated with FPUC’s existing residential and commercial retention programs under the NGCCRC. If so, please provide any internal projections or evaluations conducted by the Company, and describe how such impacts will be tracked and reported.
 - d. Please explain why the proposed tariff modification is needed at this time. Has FPUC received customer inquiries, survey results, or market feedback indicating demand for such financing? If so, please provide supporting data or documentation.

4. Paragraph 6 of the Petition (Page 2) asserts that “FPUC expects a similar level of interest in financing service as that which Florida City Gas (FCG) has received.”
 - a. Please provide FCG customer participation in gas conversion, compression, and RNG both before and after equipment financing (e.g. demand for water heaters before and after implementation of such financing).
 - b. Please provide historical and projected annual FPUC customer participation in gas conversion, compression, and RNGs assuming approval of the proposed equipment financing tariff. Please provide estimates by customer class and explain how FPUC prepared its assessment.
 - c. Please describe any relevant experiences or lessons learned from FCG’s equipment financing tariff or similar tariffs implemented by Chesapeake-affiliated utilities in other jurisdictions that may mirror FPUC’s proposed equipment financing tariff.

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5. In part, the proposed tariff provision (Original Sheet No. 6.154) states that “the rates established in the monthly rate section may be adjusted to provide for recovery by the Company of the costs incurred, including carrying cost at the Company’s overall cost of capital, in providing such equipment.” Please provide sample cost development and rate development for each installation type, based on a typical contract term, and show how such adjustments would be calculated.

Please file all responses electronically no later than May 8, 2025 via the Commission’s website at www.floridapsc.com by selecting the Clerk’s Office tab and Electronic Filing Web Form. *In addition, please email the filed response to discovery-gcl@psc.state.fl.us.*

Please contact Bria Pope at (850) 413-6568 if you have any questions.

Sincerely,

/s/Bria Pope

Bria Pope

Public Utilities Analyst

cc: Office of the Commission Clerk
Michael Barrett, Economist Supervisor