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April 29, 2026

VIA E-PORTAL

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

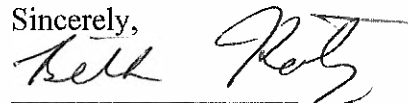
Re: Docket No. 20260010-EI - Storm protection plan cost recovery clause.

Dear Mr. Teitzman:

Attached for filing, please find the Testimony of P. Mark Cutshaw for Florida Public Utilities Company.

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

Sincerely,



Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301

1 **Before the Florida Public Service Commission**

2 Direct Testimony of P. Mark Cutshaw

3 On Behalf of

4 Florida Public Utilities Company

5 Docket 20260010-EI: Storm Protection Plan Cost Recovery Clause

6
7 **I. INTRODUCTION**

8
9 **Q. Please state your name and business address.**

10 **A.** My name is P. Mark Cutshaw. My business address is 780 Amelia Island Parkway,
11 Fernandina Beach, Florida 32034.

12 **Q. By whom are you employed?**

13 **A.** I am employed by Florida Public Utilities Company (“FPUC” or “Company”).

14 **Q. Could you give a brief description of your background and business experience?**

15 **A.** I graduated from Auburn University in 1982 with a B.S. in Electrical Engineering. My
16 electrical engineering career began with Mississippi Power Company in June 1982. I spent
17 nine years with Mississippi Power Company and held positions of increasing responsibility
18 that involved budgeting, as well as operations and maintenance activities at various
19 locations. I joined FPUC in 1991 as Division Manager in our Northwest Florida Division
20 and have since worked extensively in both the Northwest Florida and Northeast Florida
21 divisions. Since joining FPUC, my responsibilities have included all aspects of budgeting,
22 customer service, operations and maintenance. My responsibilities have also included

1 involvement with Cost of Service Studies and Rate Design in other rate proceedings before
2 the Commission, as well as other regulatory issues. During January 2026, I moved into my
3 current role as Regional Manager, Electric Operations.

4 **Q. Have you previously testified before the Commission?**

5 **A.** Yes, I've provided testimony in a variety of Commission proceedings, including the
6 Company's 2014 rate case, addressed in Docket No. 20140025-EI, rebuttal testimony in
7 Docket No. 20180061-EI, testimony in Docket No. 20190156-EI for the Limited
8 Proceeding to recover storm costs incurred as a result of Hurricane Michael and numerous
9 dockets for Fuel and Purchased Power Cost Recovery. Most recently, I provided testimony
10 in the Storm Protection Plan Dockets No. 20250017-EI and No. 20260010-EI.

11
12 **II. PURPOSE AND SUMMARY OF TESTIMONY**

13
14 **Q. What is the purpose of your direct testimony in this proceeding?**

15 **A.** The purpose of my direct testimony is to support the Company's request for recovery of
16 Storm Protection Plan ("SPP") program costs associated with FPUC's Transmission and
17 Distribution system for January 2026 through December 2026, as well as for January 2027
18 through December 2027, through the Storm Protection Plan Cost Recovery Clause
19 ("SPPCRC"), pursuant to Rule 25-6.031, F.A.C. My testimony supports the year-to-date
20 costs in 2026, projected remaining expenditures through December 2026, estimated costs
21 in 2027, and shows how these are consistent with the revised FPUC Storm Protection Plan
22 approved in Docket 20220017-EI.

23 **Q. Are you sponsoring any exhibits in this proceeding?**

FPUC Storm Protection Plan Cost Recovery (SPPCRC)

1 A. Yes. I am co-sponsoring Exhibit AF-2 included in the testimony by Witness Allysha
2 Fischbacher and did personally prepare Form 8-E contained in this exhibit.

3 Q. **Please provide a summary of your testimony.**

4 A. FPUC filed its first SPP in April 2022, which was approved, with modifications, by Order
5 No. PSC-2022-0387-FOF-EI, issued November 10, 2022. FPUC's Final True Up for 2022
6 is based on the May 2022 through December 2022 calendar year. Overall, FPUC's first
7 approved SPP intentionally contained a methodical ramp up of investments that allows for
8 the acquisition of resources, initiation of design activities, and the refinement of projects
9 in the early years of the plan. 2025 marked the first post-ramp-up period where FPUC had
10 a stabilized workforce, supply chain, and engineering backlog to sustain projects
11 throughout the SPP. This was reflected in FPUC's second SPP Plan approved, with
12 modifications, by Order No. PSC-2025-0216-FOF-EI which reflected a relatively flat year-
13 over-year level of investment over the projected ten-year period. FPUC projects 2026 and
14 2027 to be mostly in line with the projections contained in the approved SPP outside of on-
15 going assumption validation and cost adjustments that are part of the active management
16 of the SPP.

17

18 **III. 2026 OVERVIEW OF THE ACTUAL/PROJECTED SPP PROJECT COSTS AND**
19 **VARIANCES**

20

21 Q. **Under which SPP programs will FPUC incur costs during calendar year 2026?**

22 A. FPUC expects to incur costs for Distribution Overhead Feeder Hardening, Distribution
23 Overhead Lateral Hardening, Distribution Overhead Lateral Undergrounding, Distribution

1 Pole Inspection & Replacement, Transmission Inspection & Hardening, and the
2 Transmission & Distribution Vegetation Management programs during calendar year
3 2026.

4 **Q. Please describe how the 2026 current actual/estimated expenditures compare with the**
5 **previously projected 2026 approved expenditures for the Distribution Overhead**
6 **Feeder Hardening program?**

7 **A.** FPUC’s current actual/estimated 2026 expenditure is approximately \$6.44M compared to
8 the previously projected amount of \$5.78M, which is a variance of \$0.66M. The variance
9 is due to work being shifted from the Overhead Lateral Hardening program to the Overhead
10 Feeder Hardening program.

11 **Q. Please describe how the 2026 current actual/estimated expenditure compares with the**
12 **previously projected 2026 approved expenditures for the Distribution Overhead**
13 **Lateral Hardening program?**

14 **A.** FPUC’s current actual/estimated 2026 expenditure is approximately \$3.19M compared to
15 the previously projected amount of \$6.89M, which represents a variance of \$3.70M. This
16 variance is due to a shift in focus to work types with ready now work such as Overhead
17 Feeder Hardening and Overhead Later Undergrounding programs.

18 **Q. Please describe how the 2026 current actual/estimated expenditures compare with the**
19 **previously projected 2026 approved expenditures for the Distribution Overhead**
20 **Lateral Undergrounding program?**

21 **A.** FPUC’s current actual/estimated 2026 expenditures are approximately \$6.47M compared
22 to the previously projected amount of \$4.13M, which is a variance of \$2.34M. This

1 variance is due in part to the carryover of projects into 2026 and accelerated 2027 project
2 to align with available resources.

3 **Q. Please describe how the 2026 current actual/estimated expenditures compare with the**
4 **previously projected 2026 approved expenditures for the Distribution Pole Inspection**
5 **& Replacement program?**

6 **A.** FPUC's current actual/estimated 2026 expenditure is approximately \$1.33M compared to
7 the previously projected amount of \$0.69M, which is a variance of \$.64M. This variance
8 is mostly due to the increase in pole failures encountered during the 2025 inspection cycle
9 relative to projections.

10 **Q. Please describe how the 2026 current actual/estimated expenditures compare with the**
11 **previously projected 2026 approved expenditures for the Transmission Inspection &**
12 **Hardening program?**

13 **A.** FPUC's current actual estimated 2026 expenditure is approximately \$2.24M compared to
14 the previously projected amount of \$1.22M, which is a variance of \$1.02M. This variance
15 is due in part to adjustments in unit cost associated with the energized work necessary for
16 the transmission pole replacements.

17 **Q. Please describe how the 2026 current actual/estimated expenditures compare with the**
18 **previously projected 2026 approved expenditures for the Transmission &**
19 **Distribution Vegetation Management program?**

20 **A.** FPUC's current actual/estimated 2026 expenditure is approximately \$2.42M compared to
21 the previously projected amount of \$2.50M, which represents a variance of \$0.08M which
22 is in line with previous projections. This is the fourth year of the four-year trim cycle,
23 however, FPUC will not complete the full trim cycle as planned. Additional work has been

1 necessary on lines trimmed by the previous contractor that impacted the schedule which
2 may continue to be delayed until 2027.

3 **Q. Please describe how the 2026 current actual/estimated expenditures compare with the**
4 **previously projected 2026 approved expenditures for FPUC's entire Storm**
5 **Protection Plan program?**

6 **A.** FPUC's current actual/estimated 2026 expenditure is \$22.10M compared to the previously
7 projected amount of \$21.22M, which is a variance of \$0.88M. As mentioned above, the
8 FPUC SPP programs are beginning to stabilize as planned with adjustments only necessary
9 to ensure efficiency for all programs. Additionally, assumption validation and adjustments
10 are an on-going part of the active management of the SPP and are necessary to ensure the
11 most up to date cost estimates are reflected.

12 **Q. Does FPUC anticipate any future issues and what is being done to mitigate these?**

13 **A.** Though difficult to say for certain what challenges may arise, thus far FPUC has realized
14 that labor resources and supply chain issues have had a large impact on the accomplishment
15 of goals within the SPP. FPUC continues to work towards building a number of
16 engineering projects to stay ahead of supply chain challenges in the market today. Based
17 on activities in 2026, it appears that impacts from the supply chain and labor resources are
18 reduced compared to previous years which should assist with project completions.

19
20 **IV. 2027 OVERVIEW OF THE PROJECTED SPP PROJECT COSTS AND**
21 **VARIANCES**

22
23 **Q. Under which SPP programs will FPUC incur costs during calendar year 2027?**

FPUC Storm Protection Plan Cost Recovery (SPPCRC)

1 **A.** The Company will incur costs associated with the Distribution Overhead Feeder
2 Hardening, Distribution Overhead Lateral Hardening, Distribution Overhead Lateral
3 Undergrounding, Distribution Pole Inspection & Replacement, Transmission Inspection &
4 Hardening, and the Transmission & Distribution Vegetation Management Programs during
5 2026.

6 **Q.** **Does FPUC anticipate any changes in the scope or projected cost for 2027 compared**
7 **to what is discussed above for 2026?**

8 **A.** No, FPUC anticipates that project scope for 2027 will be consistent with what will have
9 occurred during 2026 and contained within the approved SPP. However, during 2027,
10 FPUC is projecting total SPP expenditures of \$23.43M compared to a projected
11 expenditure in 2027 of \$22.52M against original SPP projections included in Docket
12 20220049-EI. This variance is due in part to the continued adjustments in unit cost
13 projections based on the acquired experience to date and expected annual labor and
14 material costs increases across all Programs.

15
16 **V.** **SUMMARY**

17
18 **Q.** **Are the programs included for 2026 and 2027 consistent with FPUC’s approved SPP?**

19 **A.** Yes. The programs and activities are consistent with FPUC’s revised SPP which was
20 approved by Order No. PSC-2025-0216-FOF-EI in Docket No. 20250017-EI. Associated
21 cost estimates for each program are detailed in the table below.

22

FPUC Storm Protection Plan Cost Recovery (SPPCRC)

		2022 Actual	2023 Actual	2024 Actual	2025 Actual	2025 Estimated	2077 Estimated
Distribution - OH Feeder Hardening	Capital	\$ 0.21	\$ 4.06	\$ 7.12	\$ 9.23	\$ 6.07	\$ 9.76
	O&M	\$ -	\$ 0.01	\$ 0.19	\$ 0.20	\$ 0.37	\$ 0.71
	Total	\$ 0.21	\$ 4.08	\$ 7.32	\$ 9.43	\$ 6.44	\$ 10.47
Distribution - OH Lateral Hardening	Capital	\$ 0.05	\$ 0.63	\$ 3.25	\$ 2.93	\$ 2.99	\$ 2.69
	O&M	\$ -	\$ -	\$ -	\$ -	\$ 0.20	\$ 0.14
	Total	\$ 0.05	\$ 0.63	\$ 3.25	\$ 3.02	\$ 3.19	\$ 2.83
Distribution - OH Lateral Underground	Capital	\$ 0.06	\$ 1.02	\$ 4.30	\$ 5.95	\$ 6.47	\$ 4.17
	O&M	\$ -	\$ -	\$ -	\$ 0.09	\$ -	\$ -
	Total	\$ 0.06	\$ 1.02	\$ 4.30	\$ 6.04	\$ 6.47	\$ 4.17
Distribution - Pole Insp. & Replace	Capital	\$ -	\$ 1.98	\$ 1.01	\$ 1.07	\$ 1.02	\$ 1.07
	O&M	\$ 0.08	\$ 0.18	\$ 0.12	\$ 0.23	\$ 0.30	\$ 0.33
	Total	\$ 0.08	\$ 2.16	\$ 1.13	\$ 1.30	\$ 1.33	\$ 1.40
T&D - Vegetation Management	Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	O&M	\$ 1.04	\$ 1.81	\$ 2.50	\$ 2.38	\$ 2.42	\$ 2.50
	Total	\$ 1.04	\$ 1.81	\$ 2.50	\$ 2.38	\$ 2.42	\$ 2.50
Transmission - Inspection and Hardening	Capital	\$ -	\$ 0.08	\$ 1.62	\$ 2.21	\$ 1.96	\$ 1.81
	O&M	\$ -	\$ -	\$ -	\$ 0.02	\$ 0.28	\$ 0.25
	Total	\$ -	\$ 0.08	\$ 1.62	\$ 2.23	\$ 2.24	\$ 2.06
SPP Program Management	Capital	\$ 0.06	\$ -	\$ -	\$ -	\$ -	\$ -
	O&M	\$ 0.01	\$ -	\$ -	\$ -	\$ -	\$ -
	Total	\$ 0.07	\$ -	\$ -	\$ -	\$ -	\$ -
Totals	Capital	\$ 0.39	\$ 7.78	\$ 17.30	\$ 21.39	\$ 18.51	\$ 19.50
	O&M	\$ 1.14	\$ 2.01	\$ 2.81	\$ 3.01	\$ 3.59	\$ 3.93
	Total	\$ 1.52	\$ 9.79	\$ 20.11	\$ 24.40	\$ 22.10	\$ 23.43

1

2 **Q. Does this conclude your testimony?**

3 **A. Yes, it does.**

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Testimony of P. Mark Cutshaw has been furnished by Electronic Mail to the following parties of record this 29th day of April, 2026:

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