

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

September 15, 2017

E-PORTAL FILING

Ms. Carlotta Stauffer, Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

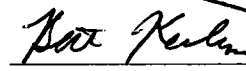
Re: Docket No. 20170150-EI - Petition for limited proceeding to include reliability and modernization projects in rate base, by Florida Public Utilities Company.

Dear Ms. Stauffer:

Attached, please find Florida Public Utilities Company's responses to staff's Fifth Set of Data Requests in the referenced docket.

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

Kind regards,



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

cc:/ (Office of Public Counsel)

Docket No. 20170150-EI – Petition for limited proceeding to include reliability and modernization projects in rate base, by Florida Public Utilities Company.

Florida Public Utilities Company’s Response to Staff’s Fifth Data Request

1. In response to staff’s second data request, question 1, FPUC provided a list of projects completed from 2009 to 2015.
 - a. Does FPUC’s modernization plan include both modernization/safety projects and storm hardening projects?
 - b. If so, which projects are modernization/safety projects and which projects are storm hardening projects?

Company Response:

a. Yes, but as clarified below, the segment of projects that FPUC considers to fall within the “modernization” category of projects are not those included in the list of projects identified in the Company’s response to Staff’s Second Data Request (DR 2), Question 1. Instead, the projects referenced in the Company’s response to DR 2 fall generally within the group of projects considered to be stabilizing projects intended to prevent further degradation of the system. The projects identified in response to DR 2 are not part of FPUC’s request in the instant petition; instead, those projects were in the MFRs provided in Docket No 20140025-EI, included for recovery in that prior rate proceeding.

b. As described in paragraphs 5 and 6 of the Company’s Petition, the second phase, or goal, of FPUC’s capital improvement approach includes the projects in this petition – projects that reflect an aggressive approach to improving and modernizing FPUC’s system through prudent and necessary projects designed to improve the performance of FPUC’s system. This phase includes modernization and safety initiatives that are designed to enhance system performance and reliability, as well as to improve the Company’s ability to respond to service issues. As such, the projects in this category, in many instances, may be designed specifically to address one particular goal, such as safety, but may also produce an equally beneficial ancillary result of improved reliability.

The projects submitted in this proceeding and for which the Company is now seeking recovery are designed to do more than just stabilize the Company’s system. Instead, these projects can generally be described as “modernization” projects, but they ultimately meet that goal by addressing different needs, although in certain cases there is a fair amount of overlap. For instance, as reflected on page 1 of 2 of Exhibit MDC-2, the miscellaneous underground cable replacement in the NW Division is identified as a “modernization/safety” project. However, the ultimate effect of that project includes some anticipated storm hardening impacts, such as improved resilience during flooding situation. Likewise, rebuilding the Amelia

Island substation project is identified as a storm-hardening targeted improvement, but by the same token, the improvements to the substations included newer, more modern components, and among other things, enabled FPUC's system to receive on-island power from Eight Flags, a capability that the system previously did not have. However, to the extent that FPUC has categorized the projects in this Petition under one category or the other, that categorization is as set forth in Exhibit MDC-2, which is attached hereto for convenience as Attachment A.

2. In response to staff's second data request, question 1, FPUC described the second phase of the modernization plan.
 - a. Does FPUC have a plan as to what type and how many projects it will propose after the 16 projects identified in this Petition are completed?
 - b. How far out does FPUC plan projects related to its modernization plan?

Company Response:

- a. **Yes, the Company maintains a capital budget for a three-year period, as well as an additional two-year capital plan, both of which include all anticipated capital investments. The three-year budget, as well as the full five year plan, both serve as guides regarding projects and anticipated implementation period. However, these plans are subject to change and adjustments are made based upon ongoing evaluation of system needs and changing business circumstances. At this point in time, our three year project plan includes 29 projects, with a total of 45 projects contemplated in our full 5-year horizon. These projects are not, however, contemplated for recovery in this proceeding and would be addressed at a later date. Just to clarify, the Company proposed 17, not 16, projects as part of this Petition, but is amenable to withdrawing its request as it relates to the Apalachicola River crossing, as that project is not anticipated to be completed within the timeframe contemplated at the time the Company's petition initiating this proceeding was filed.**
 - b. **See the Company's response to question two (a) above.**
3. In response to staff's second data request, questions 11 and 13, FPUC described the electronic reclosers in the NW Division and the SHN reclosers in the NE Division. Are these devices the same?

Company Response:

- a. **No, they are not the same devices. The electronic reclosers are single unit, three phase devices and the SHN reclosers are single phase units that take the place of fused disconnects.**

Docket No. 20170150-EI

Re: Docket No. 20170150-EI - Petition for limited proceeding to include reliability and modernization projects in rate base, by Florida Public Utilities Company.

ATTACHMENT A

Florida Public Utilities Company
 Limited Proceeding Electric
 Modernization & Storm Hardening Initiatives

Exhibit MDC-2 Page 1 of 2
 Docket No.: _____

Initiative	Project	Cost Completed	2017 Forecast	Total	Revenue Requirement
FPL Interconnect	FPL Interconnect	\$ 941,208	\$ 1,989,460	\$ 2,930,668	\$ 307,291
Install New SCADA at JLT and SD	Modernization/Safety	\$ 1,058,910		\$ 1,058,910	\$ 139,862
Loop Underground Feed in Amelia Park Subdivision NE Division	Modernization/Safety	\$ 38,255		\$ 38,255	\$ 4,318
Miscellaneous Underground Cable Replacement Northwest Division	Modernization/Safety	\$ 10,867	\$ 100,000	\$ 110,867	\$ 8,919
Purchase and Install Electronic Recloser NW Division	Modernization/Safety	\$ 124,961	\$ 25,000	\$ 149,961	\$ 19,951
Replace Conduit/Cable-Forrest Ridge Condos NE Division	Modernization/Safety	\$ 225,929		\$ 225,929	\$ 30,586
SHN Reclosers NE Division	Modernization/Safety		\$ 100,000	\$ 100,000	\$ 8,481
Substation Voltage Regulators NW Division	Modernization/Safety	\$ 198,183	\$ 60,000	\$ 258,183	\$ 29,918
Apalachicola River Crossing	Storm Hardening		\$ 1,500,000	\$ 1,500,000	\$ 119,597
Decayed Pole Replacements from Osmose Pole Inspections Both Divisions	Storm Hardening	\$ 572,919	\$ 150,000	\$ 722,919	\$ 108,797
Extend Underground Feeder #312 Airport to S. Fletcher -Cond./SW. NE Division	Storm Hardening	\$ 701,257	\$ -	\$ 701,257	\$ 86,423
Overhead Reconductor Along South Fletcher (Atlantic to Sadler) NE Division	Storm Hardening	\$ 580,320	\$ 952,273	\$ 1,532,592	\$ 151,732
Phase Down HWY-73	Storm Hardening	\$ 40,939		\$ 40,939	\$ 5,895
RE-Build AIP Substation NE Division	Storm Hardening	\$ 3,124,123		\$ 3,124,123	\$ 436,157
Replace 69KV Pole with Concrete NE Division	Storm Hardening	\$ 2,550,431		\$ 2,550,431	\$ 346,621
Storm Harden Prison Feeder From Substation to High School NW Division	Storm Hardening	\$ 76,481		\$ 76,481	\$ 10,973
Storm Hardening -Jackson County Hospital Feeder NW Division	Storm Hardening		\$ 120,000	\$ 120,000	\$ 8,350
		\$ 10,244,782	\$ 4,996,733	\$ 15,241,515	\$ 1,823,869