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March 21, 2018

E-PORTAL FILING

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

Re: Docket No. 20180061-EI-Petition for limited proceeding to recover incremental storm restoration costs by Florida Public Utilities Company

Dear Ms. Stauffer:

Attached for filing, please find Florida Public Utilities Company's Responses to Staff's First Data Requests in the referenced docket.

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

Kind regards,

Beth Keating

Gunster, Yoakley & Stewart, P.A. 215 South Monroe St., Suite 601

Tallahassee, FL 32301

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MEK

Docket No. 20180061-EI-Petition for limited proceeding to recover incremental storm restoration costs by Florida Public Utilities Company

FPUC's responses to Staff's First Data Requests in the referenced docket are as follows:

- 1. Paragraph 13 of the petition states that FPUC would need to collect \$2,280,815 from its customers for storm recovery and to replenish the storm reserve fund/account. To recover the costs, FPUC proposes a surcharge of \$1.82 per 1,000 kW for two years, beginning with the first billing cycle of May 2018.
 - a) Please state the exact day, the May 2018 billing cycle would begin.
 - b) Has FPUC notified, or intend to notify its customers about the proposed surcharge? As part of your response, please provide a copy of the notification(s) that have been distributed to, or are planned to be distributed to FPUC's customers.

Company Response:

- a) The May billing cycle is planned to start on May 7, 2018.
- b) FPUC plans to mail a notification and include a notification on its website. Included with this response, as Attachment A, is FPUC's draft notification to customers, originally provided for staff review on March 9, 2018.
- 2. Please provide information that shows a typical FPUC bill for a residential customer using 1,000 kWh of electricity assuming the proposed tariff revisions are granted as requested in this petition.

Company Response:

Included with this response, as Attachment B, is an estimate of the impact to a typical residential customer using 1,000 kWh of electricity after approval of this petition.



NOTICE TO CUSTOMERS

On February 28, 2018, Florida Public Utilities Company filed a Petition with the Florida Public Service Commission, Docket No. 20180061-EI, seeking approval to authorize commencement of recovery of incremental storm restoration costs related to several hurricanes and tropical storms and the replenishment of the retail storm reserve that FPUC maintains pursuant to Rule 25-6.0143, F.A.C., of \$2,280,815. The proposed surcharge, if approved, would increase the total bill for an average 1,000 kWh/month customer by \$1.82 or 1.4% over the current average bill. This surcharge will be collected from customers over a period of two years beginning with the first billing cycle of May 2018.

Over the last several years, FPUC has made significant investments to storm-hardened facilities, which made a substantial difference during the recent hurricanes and tropical storms as demonstrated by the fact that no storm-hardened facilities failed during either Hurricane Matthew or Hurricane Irma. However, the restoration costs due to hurricanes and tropical storms have depleted FPUC's storm reserve and left it in a deficit of \$779,174 as of December 31, 2017. Therefore, it has become necessary for us to seek recovery of these costs and restore the reserve to its pre-storm level.

Details regarding the Company's request are contained in the Company's Filing, which also contain detailed financial, accounting, and tariff data supporting the request. These are available for review at the following FPUC business offices during regular work hours.

2825 Pennsylvania Avenue Marianna, Florida 32448-4004 (800)-427-7712 (7:00a.m.-7:00p.m.) Monday-Friday (9:00a.m-5:00p.m.) 1750 S. 14th Street, Suite 200 Fernandina Beach, Florida 32034 (800)-427-7712 (7:00a.m.-7:00p.m.) Monday-Friday (9:00a.m-5:00p.m.)

Any customer comments regarding the Company's service or the proposed rate increase should include the docket number assigned to this case, Docket No. 20180061-EI, and should be addressed to:

Office of Commission Clerk Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850

You may also contact the Commission, Office of Consumer Assistance and Outreach, at their toll free number: 1-800-342-3552 or visiting the Commission's website at http://www.psc.state.fl.us/ClerkOffice/DocketFiling?docket=20180061.

Information is also available by visiting the Company's website at www.fpuc.com.

CHESAPEAKE



Attachment B

FPUC Typical Residential Bill Calculation

(Effective May 2018)

| Kilowatthour Usage for Month | 1000 | | Total on |
|------------------------------|------------|----------|------------------|
| - Condition Cody of Month | Rates. | Total | Bill |
| Customer Charge . | \$15.12 | \$15.12 | \$15.1 |
| Energy Charge < 1000 kwh | \$0.021170 | \$21.17 | |
| | | | \$21.1 |
| Energy Charge > 1000 kwh | \$0.034670 | \$0.00 | |
| Conservation Charge | \$0.001020 | \$1.02 | \$1.0 |
| Fuel Charge < 1000 kwh | \$0.093200 | \$93.20 | |
| | | | \$93.2 |
| Fuel Charge > 1000 kwh | \$0.105700 | \$0.00 | |
| Storm Cost Surcharge | \$0.001816 | \$1.82 | \$1.8 |
| Sub-Tot | al | \$132.33 | \$132.3 |
| Gross Receipts Tax | 2.564% | \$3.39 | \$3.3 |
| | | | |
| Total Bill | | \$135.72 | \$135 <i>.</i> 7 |