

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for limited proceeding to recover incremental storm restoration costs, by Florida Public Utilities Company.

DOCKET NO. 20180061-EI

DATED: November 14, 2018

COMMISSION STAFF'S PREHEARING STATEMENT

Pursuant to Order No. PSC-2018-0404-PCO-EI, filed August 14, 2018, the Staff of the Florida Public Service Commission files its Prehearing Statement.

1. All Known Witnesses

Witness

Subject

Debra Dobiac

Commission Staff's Audit Report of Florida Public Utilities Company Storm Cost Recovery

2. All Known Exhibits

Exhibit

Title

DMD-1

Auditor's Report – Limited Scope

3. Staff's Statement of Basic Position

Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions stated herein.

4. Staff's Position on the Issues

The wording for each Issue is tentative in nature and subject to change.

ISSUE 1: What is the appropriate baseline from which incremental costs are derived?

POSITION: No position pending evidence adduced at the hearing.

ISSUE 2: Was the payroll expense Florida Public Utilities Company ("FPUC") has requested to include for storm recovery appropriately incurred in undertaking storm-recovery activities? If not, what is the appropriate amount?

POSITION: No position pending evidence adduced at the hearing.

ISSUE 3: Is the “extra compensation” included as part of the Inclement Weather Exempt Employee Compensation submitted for recovery by FPUC an allowable cost under Rule 25-6.0143, Florida Administrative Code?

POSITION: No position pending evidence adduced at the hearing.

ISSUE 4: What is the proper capitalization rate for labor, benefits and overhead?

POSITION: No position pending evidence adduced at the hearing.

ISSUE 5: In undertaking storm-recovery activities, were the benefit costs requested by FPUC for storm recovery appropriate, in incurrence and amount? If not, what amount should be approved?

POSITION: No position pending evidence adduced at the hearing.

ISSUE 6: In undertaking storm-recovery activities, were the overhead costs requested by FPUC for storm recovery appropriate, in incurrence and amount? If not, what amount should be approved?

POSITION: No position pending evidence adduced at the hearing.

ISSUE 7: Were the contractor rates of up to \$509 per hour FPUC paid for storm-recovery activities appropriately incurred in connection with the restoration of service associated with electric power outages affecting customers as a result of Hurricanes Matthew and Irma? If not, what adjustments, if any, should be made?

POSITION: No position pending evidence adduced at the hearing.

ISSUE 8: Were the contractor costs associated with standby time, mobilization time, and demobilization time paid by FPUC for storm-recovery activities appropriately incurred in connection with the restoration of service associated with electric power outages affecting customers as a result of Hurricanes Matthew and Irma? If not, what adjustments, if any, should be made?

POSITION: No position pending evidence adduced at the hearing.

ISSUE 9: In undertaking storm-recovery activities associated with Hurricanes Matthew and Irma, were the contractor costs FPUC has included for storm recovery appropriate, in incurrence and amount? If not, what amount should be approved?

POSITION: No position pending evidence adduced at the hearing.

ISSUE 10: As a result of the evidence in this case, what action should the Florida Public Service Commission take to ensure contractor rates charged to utilities are appropriate?

POSITION: No position pending evidence adduced at the hearing.

ISSUE 11: Were the line clearing costs FPUC included for storm recovery appropriately incurred in connection with the restoration of service associated with storm-related electric power outages affecting customers? If not, what adjustments, if any, should be made?

POSITION: No position pending evidence adduced at the hearing.

ISSUE 12: Were the vehicle and fuel costs FPUC included for storm recovery appropriately incurred in connection with the restoration of service associated with storm-related electric power outages affecting customers? If not, what adjustments, if any, should be made?

POSITION: No position pending evidence adduced at the hearing.

ISSUE 13: Were the material and supply costs FPUC included for storm recovery appropriately incurred in connection with the restoration of service associated with storm-related electric power outages affecting customers? If not, what adjustments, if any, should be made?

POSITION: No position pending evidence adduced at the hearing.

ISSUE 14: Were the logistic costs FPUC included for storm recovery appropriately incurred in connection with the restoration of service associated with storm-related electric power outages affecting customers? If not, what adjustments, if any, should be made?

POSITION: No position pending evidence adduced at the hearing.

ISSUE 15: Were the costs identified by FPUC as "Normal Expenses Not Recovered in Base Rates" and included as "other operating expenses" appropriately incurred in connection with the restoration of service associated with storm-related electric power outages affecting customers? If not, what adjustments, if any, should be made?

POSITION: No position pending evidence adduced at the hearing.

ISSUE 16: What amount should be included in storm recovery to replenish the level of FPUC's storm reserve?

POSITION: No position pending evidence adduced at the hearing.

ISSUE 17: What is the appropriate amount of storm-related costs and storm reserve replenishment FPUC is entitled to recover?

POSITION: No position pending evidence adduced at the hearing.

ISSUE 18: Should the Commission approve Florida Public Utility Company's proposed tariff and associated charge?

POSITION: No position pending evidence adduced at the hearing.

ISSUE 19: If applicable, how should any under-recovery or over-recovery be handled?

POSITION: No position pending evidence adduced at the hearing.

ISSUE 20: Should the docket be closed?

POSITION: No position pending evidence adduced at the hearing.

5. Stipulated Issues

Staff is not aware of any stipulated issues at this time.

6. Pending Motions

Staff has no pending motions at this time.

7. Pending Confidentiality Claims or Requests

Staff has no pending confidentiality claim or request at this time.

8. Objections to Witness Qualifications as an Expert

Staff has no objections to witness qualifications as an expert at this time.

9. Compliance with Order No. PSC-2018-0404-PCO-EI

Staff has complied with all requirements of the Order Establishing Procedure entered in this docket.

Respectfully submitted this 14th day of November, 2018.

/s/ Rachael Dziechciarz

RACHAEL DZIECHCIARZ

STAFF COUNSEL

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that STAFF'S PREHEARING STATEMENT has been filed with the Office of Commission Clerk and that a true copy has been furnished to the following by electronic mail this 14th day of November, 2018:

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