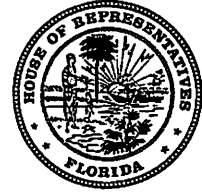




BILL GALVANO
President of the Senate

THE FLORIDA LEGISLATURE

**OFFICE OF LEGISLATIVE
SERVICES**



JOSE R. OLIVA
*Speaker of the House of
Representatives*

December 6, 2018

Ms. Carlotta S. Stauffer
Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
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:

Enclosed for filing on behalf of the Office of Public Counsel is the Supplemental Correcting Testimony of Helmuth W. Schultz, III. The Office of Public Counsel has conferred with counsel for Florida Public Utilities Company who advises that they stipulate to the filing of this Supplemental Correcting Testimony of Helmuth W. Schultz, III.

Please contact me if you have questions or concerns regarding this filing.

Sincerely:

/s/ Virginia Ponder
Virginia Ponder

Enclosures
cc: Parties of Record

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

Filed: December 6, 2018

SUPPLEMENTAL CORRECTING TESTIMONY

OF

HELMUTH SCHULTZ III

ON BEHALF OF THE OFFICE OF PUBLIC COUNSEL

J. R. Kelly
Public Counsel

Virginia Ponder
Associate Public Counsel
Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, FL 32399-1400
(850) 488-9330

Attorneys for the Citizens
of the State of Florida

TABLE OF CONTENTS

1	I. STATEMENT OF QUALIFICATIONS.....	1
2	II. REVISION	3
3	III. PAYROLL	4
4	IV. BENEFITS.....	4
5	V. OVERHEAD COSTS	5
6	VI. CONTRACTOR COSTS.....	5
7	VII. RECOMMENDATIONS	6

SUPPLEMENTAL CORRECTING TESTIMONY

OF

Helmuth W. Schultz, III

On Behalf of the Office of Public Counsel

Before the

Florida Public Service Commission

Docket No. 20180061-EI

1 **I. STATEMENT OF QUALIFICATIONS**

2 **Q. PLEASE STATE YOUR NAME, OCCUPATION, AND BUSINESS ADDRESS.**

3 A. My name is Helmuth W. Schultz, III. I am a Certified Public Accountant licensed in
4 the State of Michigan and a senior regulatory consultant at the firm Larkin &
5 Associates, PLLC, (“Larkin”) Certified Public Accountants, with offices at 15728
6 Farmington Road, Livonia, Michigan, 48154.

7

8 **Q. ARE YOU THE SAME HELMUTH W. SCHULTZ III THAT FILED DIRECT**
9 **TESTIMONY ON OCTOBER 22, 2018?**

10 A. Yes, I am.

11 **Q. WOULD YOU EXPLAIN WHY YOU ARE SUBMITTING CORRECTED**
12 **TESTIMONY?**

13 A. Yes. On November 7, 2018 Florida Public Utilities Company (the “Company” or
14 “FPUC”) filed rebuttal testimony. Company witness Michael Cassel stated in his

1 rebuttal that the payroll adjustment that I had recommended was not appropriate
2 because the compensation amount used as a base for determining whether regular and
3 overtime pay was incremental included commissions, bonuses and incentive pay. The
4 base amount I relied on was the \$4,862,387 identified in the Company's responses to
5 Citizens' Interrogatory No. 1-20 and Citizens' Interrogatory No. 22 as being the regular
6 and overtime payroll included in FPUC's filing in Docket No. 20140025_EI. After
7 receiving additional information, I determined the Company was correct and that an
8 adjustment to my recommendation was required. These adjustments are shown on
9 Exhibit No. HWS-2 Revised.

10
11 **Q. WHAT ADDITIONAL INFORMATION WAS PROVIDED TO YOU?**

12 A. On November 26, 2018, FPUC filed a response to the Florida Public Service
13 Commission ("Commission") Staff's Fourth Set of Interrogatories (No. 12). In the
14 response, the Company specifically identified some of the compensation components,
15 but not all, that were included in the \$4,862,387. Specifically identified were base
16 regular payroll and overtime before applying the requested increase to that
17 compensation. Based on that response, it appeared the actual regular payroll and
18 overtime payroll incurred and charged to O&M in 2016 and 2017 exceeded the base
19 amount included in base rates. The only question remaining was whether the Company
20 provided a sufficiently detailed response to Citizens' Interrogatories Numbers 1-21 and
21 1-23 seeking the actual regular and overtime pay for the years 2016 and 2017. The
22 concern was whether the amounts originally provided included any other pay (i.e.
23 severance and temporary pay) specifically identified in the response to the Commission
24 Staff's Interrogatory No. 12. On December 3, 2018, FPUC filed supplemental

1 responses to Citizens' Interrogatories No. 1-20 through 1-23 clarifying the information
2 previously submitted. Based on this additional information, it appears the actual
3 payroll in 2016 and 2017 exceeded base rate regular payroll and overtime payroll.
4 Accordingly, I do not contest the company's assertion that there were incremental
5 payroll costs that under Rule 25-6.0143, Florida Administrative Code ("F.A.C."),
6 should be considered for recovery and capitalization as part of the storm restoration
7 efforts and costs charged to the storm reserve.

8 9 **II. REVISION**

10 **Q. PLEASE SUMMARIZE YOUR REVISED RECOMMENDED**
11 **ADJUSTMENTS?**

12 A. I recommend an overall reduction of \$1,173,464 as summarized below. I recommend
13 a reduction of \$69,632 to FPUC's request for payroll expense as this amount represents
14 costs that are prohibited costs under Rule 25-6.0143, F.A.C. I recommend a reduction
15 of \$839,780 to FPUC's storm request related to contractor costs to adjust for excessive
16 hourly rates and excessive standby time, as well as identifying a greater amount of
17 contractor costs to be capitalized. I continue to recommend a reduction of \$163,707 to
18 FPUC's storm request related to tree trimming in accordance with Rule 25-6.0143,
19 F.A.C., cost adjustments, and a reduction of \$32,800 to materials and supplies in
20 accordance with the cost prohibitions of Rule 25-6.0143, F.A.C. Finally, I recommend
21 a reduction of \$67,548 of other costs that are prohibited under Rule 25-6.0143, F.A.C.,
22 and are not supported. In total, my revised recommendation is a reduction of
23 \$1,173,464 to FPUC's overall storm restoration and reserve replenishment request,

1 based on the clarifying discovery responses I received after I filed my original
2 testimony.

3 **III. PAYROLL**

4 **Q. HOW HAS THE ADDED INFORMATION IMPACTED YOUR ORIGINAL**
5 **PAYROLL RECOMMENDATION?**

6 A. I am no longer recommending a disallowance of regular payroll and overtime included
7 in FPUC's request. This means that the reclassification of \$114,739 of FPUC's
8 capitalized payroll is longer being included as part my recommendation to adjust
9 contractor costs. My only adjustment to payroll is the exclusion of \$69,632 of storm
10 bonuses.

11
12 **Q. DO YOU STILL HAVE A CONCERN WITH WHAT YOU CONSIDER TO BE**
13 **A PROPER CAPITALIZATION RATE?**

14 A. Yes, I do. The capitalization rate FPUC proposes to use for storm restoration is the
15 same as it uses in the normal course of business under normal conditions. After a storm,
16 the circumstances dictate a different response and level of cost incurrence. This
17 difference cannot and should not be ignored.

18 **IV. BENEFITS**

19 **Q. DOES THE CHANGE IN YOUR RECOMMENDATION TO PAYROLL**
20 **IMPACT YOUR RECOMMENDED ADJUSTMENT TO THE REQUESTED**
21 **BENEFIT COSTS?**

1 A. Yes, it does. Since there is no adjustment to base payroll, there is no longer a
2 requirement to adjust benefit expense. My original recommendation to reduce
3 benefits costs by \$69,860 is no longer required.

4

5 **V. OVERHEAD COSTS**

6 **Q. SHOULD THE RECOMMENDED ADJUSTMENT TO OVERHEAD COSTS**
7 **ALSO BE CHANGED?**

8 A. Yes. Similar to benefit costs, overhead costs are an add-on of costs associated with
9 payroll. Since I am no longer recommending FPUC's base rate payroll be excluded,
10 the associated overhead costs should now be allowed for recovery.

11

12 **VI. CONTRACTOR COSTS**

13 **Q. WHAT IS THE IMPACT ON YOUR RECOMMENDED ADJUSTMENT**
14 **AMOUNT FOR CONTRACTOR COSTS?**

15 A. I originally recommended an adjustment of \$1,009,799 to contractor costs. As a result
16 of the revision to payroll, the reclassification of \$170,019 of capitalized payroll, benefit
17 and overhead costs to reduce the recoverable amount of contractor costs is no longer
18 required. This results in a revised reduction to contractor costs of \$839,780.

19

20 **Q. DOES THE CHANGE IMPACT ANY OF YOUR OTHER**
21 **RECOMMENDATIONS REGARDING THE RECOVERY OF OR THE**
22 **CAPITALIZATION OF CONTRACTOR COSTS?**

1 A. No. All of the other adjustments to contractor costs remain as explained in my direct
2 testimony.

3

4 **VII. RECOMMENDATIONS**

5 **Q. BASED ON THE REVISIONS YOU HAVE IDENTIFIED, PLEASE**
6 **SUMMARIZE YOUR RECOMMENDED ADJUSTMENTS?**

7 A. My recommended adjustments are as follows:

8 • A reduction of \$69,632 to FPUC's request for payroll cost recovery for special
9 compensation;

10 • A reduction to contractor costs of at least \$185,039 for a grossly excessive hourly rate
11 charged by PAR;

12 • A reduction to contractor costs of \$353,795 for an excessive amount of standby time;

13 • A reduction of \$300,891 to FPUC's request related to recapitalization of contractor
14 costs;

15 • A reduction of \$163,700 to FPUC's request for line clearing cost recovery;

16 • A reduction of \$32,800 to FPUC's request for materials and supplies cost recovery;
17 and

18 • A reduction of \$67,548 for unsupported and prohibited recovery of lost revenue.

19 For the quantified amounts identified above, I recommend a total reduction of \$1,173,464
20 to FPUC's overall storm restoration and reserve replenishment request.

21

22 **Q. WOULD YOU PROVIDE A REVISED SUMMARY HOW THE REDUCTION**
23 **TO RESTORATION COSTS CHARGED AGAINST THE RESERVE**
24 **IMPACTS THE OVERALL RECOVERY REQUESTED BY FPUC?**

1 A. Yes. Below, I provide a side by side comparison of FPUC request to the OPC's revised
2 recommendation for recovery.

	<u>FPUC</u>	<u>OPC</u>
Storm Costs Included in Request	\$2,946,369	\$1,772,900
Storm Reserve September 2015	(2,142,805)	(2,142,805)
Added Reserve Accruals	<u>(141,890)</u>	<u>(141,890)</u>
Reserve Deficiency	661,674	(511,795)
Desired Reserve Balance	<u>1,500,000</u>	<u>1,500,000</u>
	2,161,674	988,205
Regulatory Assessment Fee	<u>1,556</u>	<u>1,556</u>
Requested Recovery	<u>\$2,163,230</u>	<u>\$989,761</u>

3

4

5

6 **Q. DOES THAT CONCLUDE YOUR SUPPLEMENTAL CORRECTING**
7 **TESTIMONY?**

8 A. Yes it does.

CERTIFICATE OF SERVICE
20180061-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing **Supplemental Correcting Testimony and Exhibits of Helmuth W. Schultz, III** has been furnished by electronic mail on this 6th day of December, 2018, to the following:

Mr. Mike Cassel
Florida Public Utilities Company
1750 S.W. 14th Street, Suite 200
Fernandina Beach FL 32034
mcassel@fpuc.com

Beth Keating
Gunster Law Firm
215 South Monroe Street, Suite 601
Tallahassee FL 32301
bkeating@gunster.com

Rachael Dziechciarz
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
RDziehc@psc.state.fl.us

s/Virginia Ponder
Virginia Ponder
Associate Public Counsel

Charles Rehwinkel
Deputy Public Counsel

Florida Public Utilities Company
Storm Restoration Costs
Summary

Docket No. 20180061-EI
Exhibit No. HWS-2 - Revised
Schedule A

Line No.	Description	Cindy	Julia	Hermine	Matthew	Irma	Other	Total
<u>Company Requested</u>								
1	Payroll & Related Costs	1,936	3,387	3,953	56,157	79,969	47,088	192,489
2	Benefits	566	1,516	3,574	14,439	707	17,623	38,425
	Overheads	67	2,707	5,828	1,157	83	13,014	22,856
3	Contractors	0	953	0	312,717	1,661,100	3,520	1,978,291
4	Line Clearing	0	0	1,642	37,698	219,276	2,816	261,431
5	Vehicle & Fuel	812	2,345	4,989	2,711	2,425	20,949	34,231
6	Materials & Supplies	0	991	645	17,153	54,452	16,053	89,294
7	Logistics	0	0	0	73,455	172,250	0	245,705
8	Other	0	0	136	45,409	37,898	200	83,643
9	Incremental Storm Costs Per Co.	3,381	11,899	20,767	560,896	2,228,160	121,264	2,946,365
10	Jurisdictional Factor	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
11	Requested Recoverable Retail Costs	3,381	11,898	20,767	560,896	2,228,160	121,264	2,946,364
<u>Per OPC</u>								
12	Payroll & Related Costs	1,936	3,387	3,953	30,525	35,969	47,088	122,857
13	Benefits	566	1,516	3,574	14,439	707	17,623	38,425
	Overheads	67	2,707	5,828	1,157	83	13,014	22,856
14	Contractors	0	953	0	265,046	868,992	3,520	1,138,511
15	Line Clearing	0	0	1,642	15,978	77,289	2,816	97,724
16	Vehicle & Fuel	812	2,345	4,989	2,711	2,425	20,949	34,231
17	Materials & Supplies	0	991	645	17,154	21,652	16,053	56,495
18	Logistics	0	0	0	73,455	172,250	0	245,705
19	Other	0	0	136	2,040	13,720	200	16,096
20	Incremental Storm Costs Per OPC.	3,381	11,899	20,767	422,504	1,193,086	121,264	1,772,900
21	Jurisdictional Factor	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
22	Recommended Recoverable Retail Costs	3,381	11,899	20,767	422,504	1,193,086	121,264	1,772,900
23	OPC Retail Adjustment (L.22 - L.11)	0	1	0	(138,391)	(1,035,074)	0	(1,173,464)

Note: Line 11 reflects the requested amount per Company Exhibit MC-1 and the response to Staff Interrogatory No. 2-6.

Attachment A	3381	13177	27359	560897	2332934	126120	
Difference	(0)	(1,279)	(6,592)	(1)	(104,774)	(4,856)	(117,504)

Line No.	Description	Cindy	Julia	Hermine	Matthew	Irma	Other	Total
1	Regular Payroll & Related Costs		1,279	6,592	5,315	32,696	3,044	48,926
2	Added Compensation				25,632	44,000		69,632
3	Overtime Payroll & Related Costs	1,936	3,387	3,952	53,641	89,580	40,379	192,876
4	Attachment 17 Correction		(1,279)	(6,592)			3,665	(4,206)
5	Company Revised Payroll Costs	1,936	3,387	3,953	84,588	166,277	47,088	307,228
6	Less: Non-Incremental Costs							0
7	Less : Capitalized Costs				28,431	86,308		114,739
8	Company Requested Payroll	1,936	3,387	3,953	56,157	79,969	47,088	192,489
9	Jurisdictional Factor	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
10	Retail Recoverable Cost Per Co.	1,936	3,387	3,953	56,157	79,969	47,088	192,489
11	Co. PR & Related Costs	1,936	3,387	3,953	84,588	166,277	47,088	307,228
12	Non-Incremental Costs	0	0	0	0	0	0	0
13	Bonus Compensation	0	0	0	(25,632)	(44,000)	0	(69,632)
14	Capitalized Costs				(28,431)	(86,308)		(114,739)
15	Payroll & Related Costs	1,936	3,387	3,953	30,525	35,969	47,088	122,857
16	Jurisdictional Factor	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
17	Retail Costs Per OPC	1,936	3,387	3,953	30,525	35,969	47,088	122,857
18	OPC Retail Adjustment (L.15 - L. 9)	0	0	0	(25,632)	(44,000)	0	(69,632)
19	Capitalization Assigned to Contractors				0	0	0	0
20	Total Payroll Cost Adjustment							(69,632)

Source: Lines 1, 2, 3 and 7 are from response to Citizens IR No. 1-17 attachment.
Line 4 is from correction to Attachment 17 from response to Staff Interrogatory No. 2-6

Florida Public Utilities Company
Storm Restoration Costs
Overtime Payroll

Docket No. 20180061-EI
Exhibit No. HWS-2 - Revised
Schedule B
Page 2 of 2

Line No.	Description	Amounts	Amounts	Source
1	Capitalized Labor		114,739	Schedule K
2	Hourly Labor Rate (LVM)		37.34	Citizens' IR No. 2-44
3	Capitalized Hours		3,073	Line 1 / Line 2
4	Overtime Hourly Rate	\$75		
5	Overhead Rate 75%	1.75		Citizens' IR No. 2-44
6	Labor and Overhead	131		Line 4 x Line 5
7	FPUC Employees	1		
8	Calculated Labor & Payroll Overhead Rate	131	131	
9	Estimated Labor & Overhead Cost @ Double Time		401,585	Line 3 x Line 8
10	Capitalized Labor		114,739	
11	Capitalized Benefits		41,299	
12	Capitalized Overhead		13,981	
13	FPUC Capitalized		170,019	
14	Minimum Understated Capital Cost		231,567	

Florida Public Utilities Company
Storm Restoration Costs
Benefits

Docket No. 20180061-EI
Exhibit No. HWS-2 - Revised
Revised Schedule C

Line No.	Description	Cindy	Julia	Hermine	Matthew	Irma	Other	Total
1	Benefit & Payroll Taxes	566	1,516	3,574	24,672	31,773	14,845	76,946
2	Attachment 17 Correction						2,778	2,778
3	Co. Rev. Benefit Costs	566	1,516	3,574	24,672	31,773	17,623	79,724
4	Less: Non-Incremental Costs							0
5	Less : Benefit Capitalized Costs				10,233	31,066		41,299
6	Company Requested Benefits & P/R Taxes	566	1,516	3,574	14,439	707	17,623	38,425
7	Jurisdictional Factor	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
8	Co. Rev. Benefit Costs	566	1,516	3,574	14,439	707	17,623	38,425
9	Co. Rev. Benefit Costs	566	1,516	3,574	24,672	31,773	17,623	79,724
10	Capitalized Costs	0	0	0	(10,233)	(31,066)		(41,299)
11	Benefits on Bonuses	0	0	0	0	0	0	0
12	Benefit & Payroll Taxes	566	1,516	3,574	14,439	707	17,623	38,425
13	Jurisdictional Factor	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
14	Retail Costs Per OPC	566	1,516	3,574	14,439	707	17,623	38,425
15	OPC Retail Adjustment (L.14 - L. 8)	0	0	0	0	0	0	0
16	Capitalization Assigned to Overtime	0	0	0	0	0	0	0
17	Total Benefit Adjustment							0

Source: Lines 1 and 5 are from response to Citizens IR No. 1-17 attachment.
Line 2 is from correction to Attachment 17 from response to Staff Interrogatory No. 2-6

Florida Public Utilities Company
Storm Restoration Costs
Department Internal Expenses (Overheads)

Docket No. 20180061-EI
Exhibit No. HWS-2 - Revised
Schedule D

Line No.	Description	Cindy	Julia	Hermine	Matthew	Irma	Other	Total
1	Expenses	879	5,052	10,817	14,956	32,636	22,859	87,199
2	Attachment 17 Correction	(812)	(2,345)	(4,989)	(10,473)	(21,898)	(9,845)	(50,362)
3	Department Expenses (Overheads)	67	2,707	5,828	4,483	10,738	13,014	36,837
4	Less: Non-Incremental Costs							0
5	Less : Capitalized Costs				11,088	32,288		43,376
6	Attachment 17 Correction				(7,762)	(21,633)		(29,395)
7	Company Requested	67	2,707	5,828	1,157	83	13,014	22,856
8	Jurisdictional Factor	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
9	Retail Recoverable Cost Per Co.	67	2,707	5,828	1,157	83	13,014	22,856
10	Department Expenses (Overheads)	67	2,707	5,828	4,483	10,738	13,014	36,837
11	Non-Incremental Costs	0	0	0	(3,326)	(10,655)	0	(13,981)
12	O/H on Non-Electric Division P/R	0	0	0			0	0
13	Retail Recoverable Cost	67	2,707	5,828	1,157	83	13,014	22,856
14	Jurisdictional Factor	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
15	Retail Costs Per OPC	67	2,707	5,828	1,157	83	13,014	22,856
16	OPC Retail Adjustment (L.15 - L. 9)	0	0	0	0	0	0	0
17	Capitalization Assigned to Overheads	0	0	0	0	0	0	0
18	Total Overhead Adjustment							0

Source: Lines 1 and 7 are from response to Citizens IR No. 1-17 attachment.
Lines 2 and 6 are from correction to Attachment 17 from response to Staff Interrogatory No. 2-6

Line No.	Description	Cindy	Julia	Hermine	Matthew	Irma	Other	Total
1	Contractors	0		0	322,854	1,821,416	0	2,144,270
2	Staff Requested Detail		953				3,520	4,473
3	Staff Requested Reclassification				(4,337)	(3,764)		(8,101)
4	Capitalized Costs				(5,800)	(18,978)		(24,778)
5	Staff Capitalization- Materials					(137,573)		(137,573)
6	Co. Revised Contractor Costs	0	953	0	312,717	1,661,100	3,520	1,978,291
7	Less: Non-Incremental Costs	0	0	0	0	0	0	0
8	Less : Capitalized Costs					0	0	0
9	Company Requested for Contractors	0	953	0	312,717	1,661,100	3,520	1,978,291
10	Jurisdictional Factor	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
11	Retail Recoverable Cost Per Co.	0	953	0	312,717	1,661,100	3,520	1,978,291
12	Co. Revised Contractor Costs	0	953	0	312,717	1,661,100	3,520	1,978,291
	Excessive Rate Adjustment					(185,093)		(185,093)
	Excessive Standby Adjustment					(353,795)		(353,795)
13	Co. Capitalization Reclassified	0	0	0	0	0	0	0
14	OPC Capitalization Adjustment	0	0	0	(47,671)	(253,220)	0	(300,891)
15	OPC Contractor Costs	0	953	0	265,046	868,992	3,520	1,138,511
16	Jurisdictional Factor	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
17	Retail Costs Per OPC	0	953	0	265,046	868,992	3,520	1,138,511
18	OPC Retail Adjustment (L.15 - L. 9)	0	0	0	(47,671)	(792,109)	0	(839,780)

Source: Line 1 is from response to Citizens IR No. 1-37 attachment.
Lines 2-5 are from response to Staff IR No. 2-6.

Line No.	Description	Amounts	Amounts	Source
1	Payroll & Related Costs Capitalized		170,019	Schedule K
2	Hourly Labor Rate + Overheads		75.15	Citizens' IR No. 2-44
3	Capitalized Hours		2,262	Line 1 / Line 2
4	Average Contractor Rate	221		Schedule C, Page 3
5	Contractor Employees	1		
6	Calculated Labor & Payroll Overhead Rate	221	221	Line 4 x Line 5
7	Estimated Contractor Labor & Overhead Cost		500,305	Line 3 x Line 6
8	Payroll Capitalized	114,739		
9	Benefits Capitalized	41,299		
10	Overhead Capitalized	13,981		
11	Vehicle Cost Capitalized	29,395		
12	Company Capitalized Labor & Related Cost	199,414	199,414	
13	Adjustment for Contractor Capitalization		(300,891)	Line 12-Line 7
14	Mobilization	608	229,313	
15	Mobilization	608	309,575	
16		1,216	538,889	
17	Highest Normal Working Rate @ \$290.95	1,216	353,795	
18	Excessive Rate Adjustment		(185,093)	Line 17-Line 16
19	Excessive Standby Days 2 of 4 days	1,216	(353,795)	
20	Total Adjustment		(839,780)	

Note: The total mobilization/standby labor is \$892,685 - the rate adjustment of \$185,093 = \$707,591

Line No.	Invoice Reference	Vendor	Hours	Average Rate	Labor/ Fringe	Corp. A&G	Materials	Equip./Tr ans.	Exp. / Misc.	Total	Comment	Description	MOB/ DEMOB	Standby
<u>Matthew</u>														
1	20162070	ARMSTRONG FENCE CO			2,410					2,410				
2	20162069	ARMSTRONG FENCE CO			5,591					5,591				
3	325562	DAVIS H ELLIOTT CONST	1,604	106	170,659			55,772	1,785	228,216	X	No TR		
4	52836463.003	ELECTRIC SUPPLY			1,404					1,404				
5	52836239.003	ELECTRIC SUPPLY			3,083					3,083				
6	A23211	FLORIDA AIR SERVICE AND ENGINEERING			85					85				
7	17-009	GULF POWER COMPAN	586	71	41,525	5,594		3,010	483	50,611	X	No TR	MUA	
8	532921	GUNSTER YOAKLEY & STEWART PA			188					188				
9	556808	GUNSTER YOAKLEY & STEWART PA			569					569				
10	15177	JOHNNY'S ELECTRIC INC			130					130				
11	595217	KATHY L WELCH			86					86				
12	523415	KATHY L WELCH			158					158				
13	509835	KATHY L WELCH			420					420				
14	529059	KATHY L WELCH			450					450				
15	516320	KATHY L WELCH			653					653				
16	588630	KATHY L WELCH			1,800					1,800				
17	7863	NORTH AMERICAN SUBSTATION SVS LLC			5,000					5,000				
18	STORM FUNDS 0916	PATRICIA THORNTON			3,000					3,000				
19	258753-0	SOUTHWEST ELECTRIC CO			17,033					17,033				
20	12751A	STEPS HEAVY TRANSPORT INC			355					355				
21	12484A	STEPS HEAVY TRANSPORT INC			355					355				
22	532921	GUNSTER YOAKLEY & STEWART PA			188					188				
23	509835	KATHY L WELCH			420					420				
24	516320	KATHY L WELCH			653					653				
25										0				
26										<u>322,854</u>				
<u>Irma</u>														
27	3680647-00	ANIXTER INC			3,799					3,799				Y
28	930734584	COOPER POWER SYSTEMS					25,423			25,423	X	Switchgear		Y
29	930720934	COOPER POWER SYSTEMS					25,423			25,423	X	Switchgear		Y
30	52944432.001	ELECTRIC SUPPLY			329					329				
31	52942985.001	ELECTRIC SUPPLY			771					771				
32	52942806.001	ELECTRIC SUPPLY			4,734					4,734				Y
33	901710009	PAR ELECTRICAL CONTR	3,062	254	776,235				1,247	777,482	X	WE 9/17/17		
34	901710008	PAR ELECTRICAL CONTR	2,432	367	892,684				12,390	905,074	X	No Work	WE 9/10/17	538,888 353,795
35	6023317005165	PRESIDIO HOLDINGS INC			401					401				
36	6023317004399	PRESIDIO HOLDINGS INC			653					653				
37	6023317004398	PRESIDIO HOLDINGS INC			1,255					1,255				
38	56864	SERVICE ELECTRIC COMPANY			6,045					6,045				Y
39	57647	SERVICE ELECTRIC COMPANY			13,942					13,942				Y
40	HH30663	STEPS HEAVY TRANSPORT INC			358					358				
41	HH31040	STEPS HEAVY TRANSPORT INC			425					425				
42	1135786	THE L E MYERS COMPANY			52,310					52,310	X	No detail	Rep arrestors	Y
43	D17090192	FASTENER SERVICE INC			227					227				
44	6023318000073	PRESIDIO HOLDINGS INC			152					152				
45	6023317004678	PRESIDIO HOLDINGS INC			304					304				
46	6023317005165	PRESIDIO HOLDINGS INC			401					401				
47	6023317004399	PRESIDIO HOLDINGS INC			653					653				
48	6023317004398	PRESIDIO HOLDINGS INC			1,255					1,255				
49										0				
50	PAR Electric Rate Adjustment				(185,093)					<u>1,821,415</u>				
51	PAR Electric Adjustment				(1,216)					<u>(353,795)</u>				
52					<u>5,882</u>	221.13				<u>1,300,689</u>				
53										2,144,270				
54							Costs Verified			<u>1,961,383</u>				
							Cost Not Verified			<u>182,887</u>				

X Reference number and amount match listing in Citizens POD No. 1-6 and Citizens Interrogatory No. 2-61.
 Y Staff audit capitalized costs.
 Sources: Company response to Citizens Interrogatory No. 37.

Line No.	Description	Cindy	Julia	Hermine	Matthew	Irma	Other	Total
1	Line Clearing	0	0		37,698	219,276	0	256,974
2	Staff Requested Detail	0	0	1,642		0	2,816	4,458
3	Staff Requested Reclassification	0	0	0		0	0	0
4	Co. Revised Line Clearing Costs	0	0	1,642	37,698	219,276	2,816	261,431
5	Less: Non-Incremental Costs	0	0	0		0	0	0
6	Less : Capitalized Costs	0	0	0	0	0	0	0
7	Company Requested Line Clearing	0	0	1,642	37,698	219,276	2,816	261,431
8	Jurisdictional Factor	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
9	Retail Recoverable Cost Per Co.	0	0	1,642	37,698	219,276	2,816	261,431
10	Co. Rev. Line Clearing Costs	0	0	1,642	37,698	219,276	2,816	261,431
11	Non-Incremental Costs	0	0	0	(21,720)	(141,987)	0	(163,707)
12	Capitalized Costs	0	0	0	0	0	0	0
13	Line Clearing	0	0	1,642	15,978	77,289	2,816	97,724
14	Jurisdictional Factor	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
15	Retail Costs Per OPC	0	0	1,642	15,978	77,289	2,816	97,724
16	OPC Retail Adjustment (L.15 - L.9)	0	0	0	(21,720)	(141,987)	0	(163,707)

Source: Lines 1 is from response to Citizens IR No. 1-32 attachment.

Line No.	Invoice Reference	Vendor	Hours	Average Rate	Labor/Fringe	Corp. A&G	Materials	Expenses	Trans.	Misc.	Total	Duplicates	Description	Earliest and Last Dates	MOB/DEMOP	Standby
Matthew																
1	91065968	The Davey Tree			1,808						1,808					
2	91065967	The Davey Tree			2,443						2,443					
3	91065970	The Davey Tree			3,961						3,961					
4	91065966	The Davey Tree			10,593						10,593					
5	910680237	The Davey Tree			2,194						2,194					
6	91065971	The Davey Tree			4,726						4,726					
7	91065972	The Davey Tree			5,164						5,164					
8	910680236	The Davey Tree			2,907						2,907					
9	91065969	The Davey Tree			3,903						3,903					
10																
11											<u>37,688</u>					
Irma																
12	911719077	THE DAVEY TREE			2,468						2,468					
13	911773335	THE DAVEY TREE			3,225						3,225					
14	911773336	THE DAVEY TREE			3,331						3,331					
15	911897842	THE DAVEY TREE			2,194						2,194					
16	911897761	THE DAVEY TREE			2,194						2,194					
17	911799773	THE DAVEY TREE			2,194						2,194					
18	911897843	THE DAVEY TREE			2,276						2,276					
19	911868424	THE DAVEY TREE			2,578						2,578					
20	911868425	THE DAVEY TREE			2,742						2,742					
21	911841416	THE DAVEY TREE			2,742						2,742					
22	911841418	THE DAVEY TREE			2,742						2,742					
23	911799771	THE DAVEY TREE			2,742						2,742					
24	911897763	THE DAVEY TREE			2,934						2,934					
25	78W70317	ASPLUNDH TREE			1,146						1,146					
26	78W70717	ASPLUNDH TREE			4,681						4,681					
27	78W70917	ASPLUNDH TREE			6,355						6,355					
28	78W70617	ASPLUNDH TREE			24,328						24,328					
29	911814230	THE DAVEY TREE			5,946						5,946					
30	911814231	THE DAVEY TREE			6,949						6,949					
31	911868468	THE DAVEY TREE			9,963						9,963					
32	911719085	THE DAVEY TREE			2,992						2,992					
33	911745716	THE DAVEY TREE			3,134						3,134					
34	911719083	THE DAVEY TREE			4,960						4,960					
35	911773313	THE DAVEY TREE			2,391						2,391					
36	911773312	THE DAVEY TREE			7,948						7,948					
37	911799785	THE DAVEY TREE			2,816						2,816					
38	911799784	THE DAVEY TREE			6,777						6,777					
39	911852113	THE DAVEY TREE			704						704					
40	911868443	THE DAVEY TREE			2,610						2,610					
41	911897756	THE DAVEY TREE			2,816						2,816					
42	911897754	THE DAVEY TREE			2,816						2,816					
43	911841420	THE DAVEY TREE			2,816						2,816					
44	911852111	THE DAVEY TREE			3,338						3,338					
45	911868440	THE DAVEY TREE			5,254						5,254					
46	911897755	THE DAVEY TREE			5,951						5,951					
47	911852112	THE DAVEY TREE			6,553						6,553					
48	911841419	THE DAVEY TREE			8,927						8,927					
49	911814225	THE DAVEY TREE	525	58	30,583				7,033		37,666	X				
50	911868466	THE DAVEY TREE			1,106						1,106					
51	911868469	THE DAVEY TREE			2,101						2,101					
52	911868464	THE DAVEY TREE			2,405						2,405					
53	911897845	THE DAVEY TREE			2,816						2,816					
54	911897846	THE DAVEY TREE			2,816						2,816					
55	911868460	THE DAVEY TREE			3,831						3,831					
56											0					
57																
58											<u>219,276</u>					
59											256,974		0			
60											<u>37,666</u>					
61											<u>219,308</u>					

X Reference number and amount match invoices Citizens POD No. 1-6.
 Sources: Company response to Citizens Interrogatory Nos. 1-32 and 1-37

Florida Public Utilities Company
Storm Restoration Costs
Vehicle & Fuel Costs

Docket No. 20180061-EI
Exhibit No. HWS-2 - Revised
Schedule G

Line No.	Description	Cindy	Julia	Hermine	Matthew	Irma	Other	Total
1	Vehicle & Fuel	812	2,345	4,989	10,473	24,058	13,543	56,220
2	Citizens No. 1-39 Correction						7,406	7,406
3	Company Update 3/15/18							0
4	Co. Revised Vehicle & Fuel	812	2,345	4,989	10,473	24,058	20,949	63,626
5	Less: Non-Incremental Costs							0
6	Less : Capitalized Costs	0	0	0	7,762	21,633	0	29,395
7	Co. Requested Vehicle & Fuel	812	2,345	4,989	2,711	2,425	20,949	34,231
8	Jurisdictional Factor	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
9	Retail Recoverable Cost Per Co.	812	2,345	4,989	2,711	2,425	20,949	34,231
10	Co. Rev. Vehicle & Fuel Costs	812	2,345	4,989	10,473	24,058	20,949	63,626
11	Non-Incremental Costs	0	0	0	0	0	0	0
12	Capitalized Costs	0	0	0	(7,762)	(21,633)	0	(29,395)
13	Vehicle & Fuel Costs	812	2,345	4,989	2,711	2,425	20,949	34,231
14	Jurisdictional Factor	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
15	Retail Costs Per OPC	812	2,345	4,989	2,711	2,425	20,949	34,231
16	OPC Retail Adjustment (L.15 - L. 9)	0	0	0	0	0	0	0

Source: Line 1 and 6 are from response to Citizens Interrogatory No. 1-39.
Line 2 is from correction from response to Staff Interrogatory No. 2-6

Florida Public Utilities Company
Storm Restoration Costs
Materials & Supplies

Docket No. 20180061-EI
Exhibit No. HWS-2 - Revised
Schedule H

Line No.	Description	Cindy	Julia	Hermine	Matthew	Irma	Other	Total
1	Materials & Supplies	0	991	645	17,154	21,652	16,053	56,495
2	Staff Requested Reclassification				11,779	57,251		69,030
3	Audit Adjustment					32,800		32,800
4	Co. Revised Materials & Supplies	0	991	645	28,933	111,703	16,053	158,325
5	Less: Non-Incremental Costs	0	0	0	0	0	0	0
6	Less : Capitalized Costs	0	0		11,779	57,251	0	69,030
7	Co. Requested Mat. & Supplies	0	991	645	17,154	54,452	16,053	89,295
8	Jurisdictional Factor	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
9	Retail Recoverable Cost Per Co.	0	991	645	17,154	54,452	16,053	89,295
10	Co. Rev. Materials & Supplies	0	991	645	28,933	111,703	16,053	158,325
11	Non-Incremental Costs	0	0	0	0	(32,800)	0	(32,800)
12	Capitalized Costs	0	0	0	(11,779)	(57,251)	0	(69,030)
13	Materials & Supplies	0	991	645	17,154	21,652	16,053	56,495
14	Jurisdictional Factor	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
15	Retail Costs Per OPC	0	991	645	17,154	21,652	16,053	56,495
16	OPC Retail Adjustment (L.15 - L. 9)	0	0	0	0	(32,800)	0	(32,800)

Source: Line 1 is from response to Citizens Interrogatory No. 1-38.

Line No.	Description	Cindy	Julia	Hermine	Matthew	Irma	Other	Total
1	Logistics				73,455	172,250		245,705
2	Company Update 2/20/18							0
3	Company Update 3/15/18							0
4	Co. Revised Logistics	0	0	0	73,455	172,250	0	245,705
5	Less: Non-Incremental Costs	0	0	0	0	0	0	0
6	Less : Capitalized Costs	0	0	0	0	0	0	0
7	Company Requested Logistics	0	0	0	73,455	172,250	0	245,705
8	Jurisdictional Factor	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
9	Retail Recoverable Cost Per Co.	0	0	0	73,455	172,250	0	245,705
10	Co. Rev. Logistics	0	0	0	73,455	172,250	0	245,705
11	Unjustified	0	0	0		0	0	0
12	Capitalized Costs	0	0	0	0	0	0	0
13	Logistics Cost	0	0	0	73,455	172,250	0	245,705
14	Jurisdictional Factor	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
15	Retail Costs Per OPC	0	0	0	73,455	172,250	0	245,705
16	OPC Retail Adjustment (L.15 - L. 9)	0	0	0	0	0	0	0

Source: Line 1 is from response to Citizens Interrogatory No. 1-40.

Line No.	Invoice Reference	Vendor	Lodging	Meals / Catering	Staging	Other	Total	Comment
Matthew								
1	JRNLO0418339			155			155	
2	JRNLO0419450	Marriot - Amelia Island	3,526				3,526	
3	Various			444			444	
4	Various	Householder Meals		1,395			1,395	
5	Various	Marroit - Amelia Island	11,967				11,967	
6	Various	Z Capital				896	896	
7	JRNLO0420270	Fairfield Inn	(2,922)				(2,922)	
8	JRNLO0418260	Best Western	9,365				9,365	
9	JRNLO0418260	Country Caterers		40,000			40,000	Y No Detail
10	JRNLO0418260	Various Stores		6,333			6,333	
11	JRNLO0419450	Marroit - Amelia Island	1,148				1,148	
12	JRNLO0418330	Rizo-Patron		316			316	
13	JRNLO0418350	Socarras/ZCapital				498	498	
14	JRNLO0418339	Wagner				20	20	
15	Various	Webber/Meal		162			162	
16	JRNLO0419582	J. STANLEY - ADVANCE				150	150	
17			<u>23,085</u>	<u>48,806</u>		<u>1,564</u>	<u>73,455</u>	
Irma								
18	JRNLO0445047	Sep BOA Pcard-Meals		1,809			1,809	
19	JRNLO0445047	Sep BOA Pcard-COMFORT INN OF YU	530				530	
20	JRNLO0445047	Sep BOA Pcard-THE PIG		111			111	
21	JRNLO0445047	Sep BOA Pcard-BEST WESTERN PLUS	507				507	
22	JRNLO0445047	Sep BOA Pcard-FAIRFIELD INN & SUI1	403				403	
23	JRNLO0445047	Sep BOA Pcard-Meals		408			408	
24	JRNLO0445047	Sep BOA Pcard-HAMPTON INN BONI	716				716	
25	JRNLO0445047	Sep BOA Pcard-THE OAKS		143			143	
26	JRNLO0445047	Sep BOA Pcard-FAIRFIELD INN & SUI1	447				447	
27	JRNLO0445047	Sep BOA Pcard-COMFORT INN & SUI	2,426				2,426	
28	JRNLO0445047	Sep BOA Pcard-WAFFLE HOUSE		154			154	
29	JRNLO0446708	FPU LODGING DURING HURRICANE I	154				154	
30	JRNLO0445047	Sep BOA Pcard-SPRINGHILL SUITES	1,099				1,099	
31	JRNLO0445047	Sep BOA Pcard-FAIRFIELD INN & SUI1	481				481	
32	JRNLO0445047	Sep BOA Pcard-WINN-DIXIE #0084		370			370	
33	JRNLO0446090	LODGING FOR CONTRACT WORKER F	1,501				1,501	
34	JRNLO0445047	Sep BOA Pcard-SPRINGHILL SUITES	381				381	
35	JRNLO0446090	LODGING FOR CONTRACT WORKER F	420				420	
36	JRNLO0445047	Sep BOA Pcard-Various	14,659				14,659	
37	JRNLO0446708	FPU LODGING DURING HURRICANE I	3,542				3,542	
38	Various	Sep BOA Pcard-Various	12,480				12,480	
39	Various	LODGING Marriot Island	6,835				6,835	
40	JRNLO0445047	Sep BOA Pcard-HOLIDAY INN EXPRES	6,553				6,553	
41	Various	LODGING Marriot Island	29,918				29,918	
42	JRNLO0445047	Sep BOA Pcard-PUBLIX #322		779			779	
43	Various	LODGING Marriot Island	13,753				13,753	
44	JRNLO0445843	LODGING FOR HURRICANE IRMA 201	11,884				11,884	
45	JRNLO0444541	Country Caterers		59,786			59,786	X
46			<u>108,689</u>	<u>63,560</u>		<u>0</u>	<u>172,249</u>	

X Reference number and amount match listing in Citizens POD No. 1-6.

Y Company provided invoice for \$82,390.

Sources: Company response to Citizens Interrogatroy No. 70.

Line No.	Description	Cindy	Julia	Hermine	Matthew	Irma	Other	Total
1	Other	0		136	45,235	37,899	200	83,470
2	Employee Expenses	0	852	20	3,719	6,147	610	11,348
3	Exclude Employee Expense		(852)	(20)	(3,719)	(6,147)	(610)	(11,348)
4	Company Adjustment				174			174
5	Co. Revised Other	0	0	136	45,409	37,899	200	83,644
6	Less: Non-Incremental Costs	0	0	0	0		0	0
7	Less : Capitalized Costs	0	0			0	0	0
8	Company Requested Other	0	0	136	45,409	37,899	200	83,644
9	Jurisdictional Factor	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
10	Retail Recoverable Cost Per Co.	0	0	136	45,409	37,899	200	83,644
11	Co. Revised Other	0	0	136	45,409	37,899	200	83,644
12	Unsupported Costs	0	0	0	(43,369)	(24,179)	0	(67,548)
13	Capitalized Costs	0	0	0	0	0	0	0
14	Other Costs	0	0	136	2,040	13,720	200	16,096
15	Jurisdictional Factor	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
16	Retail Costs Per OPC	0	0	136	2,040	13,720	200	16,096
17	OPC Retail Adjustment (L.15 - L. 9)	0	0	0	(43,369)	(24,179)	0	(67,548)

Source: Line 1 is from response to Citizens Interrogatory No. 1-40.
Line 2 is from response to Citizens Interrogatory No. 1-41.
Lines 3 & 4 are from Sraff IR 2-6

Florida Public Utilities Company
Storm Restoration Costs
Capitalizable Costs

Docket No. 20180061-EI
Exhibit No. HWS-2 - Revised
Schedule K

Line No.	Description	Cindy	Julia	Hermine	Matthew	Irma	Other	Total
1	Payroll	0	0	0	28,431	86,308	0	114,739
2	Benefits	0	0	0	10,233	31,066	0	41,299
3	Overhead	0	0	0	3,326	10,655	0	13,981
4	Contractors - Materials	0	0	0	0	137,573	0	137,573
5	Vehicles & Fuel	0	0	0	7,762	21,633	0	29,395
6	Materials & Supplies	0	0	0	11,779	57,251	0	69,030
7	Logistics	0	0	0	0	0	0	0
8	Other	0	0	0	0	0	0	0
9	Co. Revised Capital Costs	0	0	0	61,531	344,486	0	406,017
10	Jurisdictional Factor	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
11	Retail Capital Cost Per Co.	0	0	0	61,531	344,486	0	406,017
12	Co. Revised Capital Costs	0	0	0	61,531	344,486	0	406,017
13	Payroll Adjustment							
14	Contractor Adjustment	0	0	0	47,671	253,220	0	300,891
15								
16	OPC Revised Capital Costs	0	0	0	109,202	597,706	0	706,908
17	Total Capital Cost Adjustment	0	0	0	47,671	253,220	0	300,891
18	Jurisdictional Factor	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
19	Retail Capital Cost Per OPC.	0	0	0	47,671	253,220	0	300,891

Source: Staff Interrogatory 2-6.
Line 4 is based on Staff Audit Finding 1.