

**FLORIDA PUBLIC SERVICE COMMISSION
EXHIBIT INDEX**

FILED 7/26/2021
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FPSC - COMMISSION CLERK

FOR THE HEARING DATED 07/08/2021 IN DOCKET 20200151-EI

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<u>Docket Nos. 20200151-EI & 20200194-PU</u> Comprehensive Exhibit List for Entry into Hearing Record July 8, 2021					
EXH #	Witness	I.D. # As Filed	Exhibit Description	Issue Nos.	Entered
1		Exhibit List	Comprehensive Exhibit List		
GULF POWER COMPANY – DIRECT					
2	Mitchell Goldstein	MG-1	Gulf Power's COVID costs by category		
OFFICE OF PUBLIC COUNSEL – DIRECT					
3	Daniel J. Lawton	DJL-1	Resume		
4		DJL-2	Economic Reports and Statistics		
STAFF HEARING EXHIBITS					
5		Staff Exhibit 5	FPUC's responses to Staff's First Set of Interrogatories Nos. 1-9. <i>[Bates Nos. 00001-00012]</i>		
6		Staff Exhibit 6	FPUC's responses to Staff's First Request for Production of Documents Nos. 1-4. (Nos. 3 and 4 have attachments) <i>[Bates Nos. 00013-00014]</i>		
7	Galtman (1, 3-9, 13, 14, 16, 17) Craig (2, 10-12, 15)	Staff Exhibit 7	FPUC's responses to OPC's First Set of Interrogatories Nos. 1-17. (Nos. 3, 7, 9, and 10 have attachments). <i>[Bates Nos. 00015-00038]</i>		
8	Craig (18-23) Galtman (18)	Staff Exhibit 8	FPUC's responses to OPC's Second Set of Interrogatories Nos. 18-24. (No. 18 has an attachment) <i>[Bates Nos. 00039-00054]</i>		

<u>Docket Nos. 20200151-EI & 20200194-PU</u> Comprehensive Exhibit List for Entry into Hearing Record July 8, 2021					
EXH #	Witness	I.D. # As Filed	Exhibit Description	Issue Nos.	Entered
9	Craig (25) Galtman (25-27)	Staff Exhibit 9	FPUC's responses to OPC's Third Set of Interrogatories. <i>(Incorrectly served as Nos. 24-26, responses given as 25-27).</i> (Nos. 25 and 27 have attachments) [Bates Nos. 00055-00060]		
10		Staff Exhibit 10	Gulf's responses to Staff's First Set of Interrogatories Nos. 1-9. [Bates Nos. 00061-00071]		
11		Staff Exhibit 11	Gulf's responses to Staff's First Request for Production of Documents Nos. 1-4. [Bates Nos. 00072-00076]		
12	Goldstein	Staff Exhibit 12	Gulf's responses to OPC's Second Set of Interrogatories Nos. 6-13, 16-21. (No. 16 has an attachment) [Bates Nos. 00077-00094]		
13	Goldstein	Staff Exhibit 13	Gulf's supplemental responses to OPC's Second Set of Interrogatories Nos. 14, 15. [Bates Nos. 00095-00099]		
14		Staff Exhibit 14	Gulf's responses to OPC's Second Request for Production of Documents Nos. 7, 8. (Nos. 7 and 8 have attachments) [Bates Nos. 00100-00102]		
15	Goldstein	Staff Exhibit 15	Gulf's responses to OPC's Third Set of Interrogatories Nos. 22-28. [Bates Nos. 00103-00111]		

<u>Docket Nos. 20200151-EI & 20200194-PU</u> Comprehensive Exhibit List for Entry into Hearing Record July 8, 2021					
EXH #	Witness	I.D. # As Filed	Exhibit Description	Issue Nos.	Entered
16		Staff Exhibit 16	Gulf's responses to OPC's Third Request for Production of Documents Nos. 9-14. (Nos. 9, 10, 13, and 14 have attachments) <i>[Bates Nos. 00112-00118]</i>		
17		Staff Exhibit 17	Gulf's responses to OPC's Fourth Set of Interrogatories Nos. 29-31. <i>[Bates Nos. 00119-00126]</i>		
18		Staff Exhibit 18	Gulf's responses to OPC's Fourth Request for Production of Documents No. 15. <i>[Bates Nos. 00127-00128]</i>		
19		Staff Exhibit 19	FPUC's responses to Staff's First Data Requests on Settlement. <i>[Bates Nos. 00129-00139]</i>		
20		Staff Exhibit 20	Gulf's responses to Staff's First Settlement Agreement Data Request. <i>[Bates Nos. 00140-00146]</i>		
HEARING EXHIBITS					
Exhibit Number	Witness	Party	Description		Moved In/Due Date of Late Filed
21		FPUC	Exhibit A		

Gulf Power Company
COVID-19 Related Costs (\$000)

<u>Cost category</u>	<u>Total incurred: April 2020 to February 2021</u>	<u>Forecasted costs: March 2021 to December 2021</u>	<u>Total COVID- related costs</u>
Incremental Bad Debt expense	\$15,014	\$3,936	\$18,950
<u>Safety Related Costs:</u>			
Testing	\$1,189	\$824	\$2,013
Personal Protective Equipment	\$689	\$400	\$1,089
Temperature Screening	\$1,021	\$0	\$1,021
Facilities Upgrades/Cleaning	\$516	\$131	\$647
Other	\$16	\$0	\$16
Total Safety Related Costs	\$3,431	\$1,354	\$4,785
Total COVID-19 Costs	\$18,445	\$5,290	\$23,735
Less: Savings in Travel and Meal Expenses	(\$831)	(\$590)	(\$1,421)
Less: Savings in Medical Expenses ⁽¹⁾	(\$1,627)	\$0	(\$1,627)
Total Regulatory Asset	\$15,987	\$4,700	\$20,687

(1) -- Savings of \$1,627,000 are shown in the column for "Total Incurred" costs because they reflect savings achieved between April 2020 and February 2021. The accounting entry reflecting this savings was made during March 2021 following review of Medical Expenses.

DANIEL J. LAWTON
B.A. ECONOMICS, MERRIMACK COLLEGE
M.A. ECONOMICS, TUFTS UNIVERSITY
J.D. LAW, TEXAS SOUTHERN UNIVERSITY

Prior to beginning his own consulting practice Diversified Utility Consultants, Inc., in 1986 where he practiced as a firm principal through December 31, 2005, Mr. Lawton had been in the utility consulting business with R.W. Beck and Associates a national engineering and consulting firm. In addition, Mr. Lawton has been employed as a senior analyst and statistical analyst with the Department of Public Service with the Public Utilities Commission of Minnesota. Prior to Mr. Lawton's involvement in utility regulation and consulting he taught economics, econometrics and statistics at Doane College.

Mr. Lawton has conducted numerous revenue requirements, fuel reconciliation reviews, financial, and cost of capital studies on electric, gas and telephone utilities for various interveners before local, state and federal regulatory bodies. In addition, Mr. Lawton has provided studies, analyses, and expert testimony on statistics, econometrics, accounting, forecasting, and cost of service issues. Other projects in which Mr. Lawton has been involved include rate design and analyses, prudence analyses, fuel cost reviews and regulatory policy issues for electric, gas and telephone utilities. Mr. Lawton has developed software systems, databases and management systems for cost of service analyses.

Mr. Lawton has developed and numerous forecasts of energy and demand used for utility generation expansion studies as well as municipal financing. Mr. Lawton has represented numerous municipalities as a negotiator in utility related matters. Such negotiations ranges from the settlement of electric rate cases to the negotiation of provisions in purchase power contracts.

In addition to rate consulting work Mr. Lawton through the Lawton Law Firm represents numerous municipalities in Texas before regulatory authorities in electric and gas proceedings. Mr. Lawton also represents municipalities in various contract and franchise matters involving gas and electric utility matters.

A list of cases in which Mr. Lawton has provided testimony is attached.

UTILITY RATE PROCEEDINGS IN WHICH TESTIMONY HAS BEEN PRESENTED BY DANIEL J. LAWTON

PUBLIC UTILITIES COMMISSION OF CALIFORNIA

ALASKA REGULATORY COMMISSION

<u>Beluga Pipe Line Company</u>	<u>P-04-81</u>	<u>Cost of Capital</u>
<u>Municipal Light & Power</u>	<u>U-13-184</u>	<u>Cost of Capital</u>
<u>Enstar Natural Gas Co.</u>	<u>U-14-111</u>	<u>Cost of Capital & Revenue Requirements</u>
<u>Enstar Natural Gas Co.</u>	<u>U-16-066</u>	<u>Cost of Capital & Revenue Requirements</u>
<u>Municipal Light & Power</u>	<u>U-16-094</u>	<u>Cost of Capital</u>
Southern California Edison	12-0415	Cost of Capital
San Diego Gas and Electric	12-0416	Cost of Capital
Southern California Gas	12-0417	Cost of Capital
Pacific Gas and Electric	12-0418	Cost of Capital

PUBLIC UTILITIES COMMISSION OF COLORADO

Public Service Co. of Colorado	19AL-0268E	Cost of Capital
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GEORGIA PUBLIC SERVICE COMMISSION

Georgia Power Co.	25060-U	Cost of Capital
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FEDERAL ENERGY REGULATORY COMMISSION

Alabama Power Co.	ER83-369-000	Cost of Capital

Arizona Public Service Co.	ER84-450-000	Cost of Capital
Florida Power & Light	EL83-24-000	Cost Allocation, Rate Design
Florida Power & Light	ER84-379-000	Cost of Capital, Rate Design, Cost of Service
Southern California Edison	ER82-427-000	Forecasting

LOUISIANA PUBLIC SERVICE COMMISSION		
Louisiana Power & Light	U-15684	Cost of Capital, Depreciation
Louisiana Power & Light	U-16518	Interim Rate Relief
Louisiana Power & Light	U-16945	Nuclear Prudence, Cost of Service

MARYLAND PUBLIC SERVICE COMMISSION		
Baltimore Gas and Electric Co.	9173	Financial
Baltimore Gas and Electric Co.	9326	Financial

MINNESOTA PUBLIC UTILITIES COMMISSION		
Continental Telephone	P407/GR-81-700	Cost of Capital
Interstate Power Co.	E001/GR-81-345	Financial
Montana Dakota Utilities	G009/GR-81-448	Financial, Cost of Capital
New ULM Telephone Co.	P419/GR81767	Financial
Norman County Telephone	P420/GR-81-230	Rate Design, Cost of Capital
Northern States Power	G002/GR80556	Statistical Forecasting, Cost of Capital
Northwestern Bell	P421/GR80911	Rate Design, Forecasting

MISSOURI PUBLIC SERVICE COMMISSION		
Missouri Gas Energy	GR-2009-0355	Financial
Ameren UE	ER-2010-0036	Financial

FLORIDA PUBLIC SERVICE COMMISSION		
Progress Energy	070052-EI	Cost Recovery
Florida Power and Light	080677-EI	Financial
Florida Power and Light	090130-EI	Depreciation
Progress Energy	090079-EI	Depreciation
Florida Power and Light	120015-EI	Financial Metrics
Florida Power and Light	140001-EI	Economic and Regulatory Policy Issues
Florida Power and Light	150001-EI	Economic and Regulatory Policy Issues Financial Gas Hedging
Florida Power and Light	160001-EI	Economic and Regulatory Policy Issues Financial Gas Hedging
Florida Power and Light	160021-EI	Equity Bonus Rewards & Financial Metrics
Florida Power and Light	20170057-EI	Economic and Regulatory Policy Issues Financial Gas Hedging

NORTH CAROLINA UTILITIES COMMISSION		
North Carolina Natural Gas	G-21, Sub 235	Forecasting, Cost of Capital, Cost of Ser

OKLAHOMA PUBLIC SERVICE COMMISSION		
Arkansas Oklahoma Gas Corp.	200300088	Cost of Capital
Public Service Co. of Oklahoma	200600285	Cost of Capital
Public Service Co. of Oklahoma	200800144	Cost of Capital

Public Service Co. of Oklahoma	201200054	Financial and Earnings Related
Oklahoma Natural Gas	201500213	Return on Equity, Financial, capital Structure

PUBLIC SERVICE COMMISSION OF INDIANA		
Kokomo Gas & Fuel Company	38096	Cost of Capital

PUBLIC UTILITIES COMMISSION OF NEVADA		
Nevada Bell	99-9017	Cost of Capital
Nevada Power Company	99-4005	Cost of Capital
Sierra Pacific Power Company	99-4002	Cost of Capital
Nevada Power Company	08-12002	Cost of Capital
Southwest Gas Corporation	09-04003	Cost of Capital
Sierra Pacific Power Company	10-06001 & 10-06002	Cost of Capital & Financial
Nevada Power Co. and Sierra Pacific Power Co.	11-06006 11-06007 11-06008	Cost of Capital
Southwest Gas Corp.	12-04005	Cost of Capital
Sierra Power Company	13-06002 13-06003 13-06003	Cost of Capital
NV Energy & MidAmerican Energy Holdings Co.	13-07021	Merger and Public Interest Financial

Sierra Pacific Power Company	16-06006	Cost of Capital
Nevada Power Company	17-06003	Cost of Capital
Nevada Power & Sierra Pacific	18-02012 Consolidated	Tax Cut and Jobs Act Issues
Southwest Gas	18-05031	Cost of Capital
Sierra Pacific Power Company	19-06002	Cost of Capital
Southwest Gas	20-02023	Cost of Capital

PUBLIC SERVICE COMMISSION OF UTAH		
PacifiCorp	04-035-42	Cost of Capital
Rocky Mountain Power	08-035-38	Cost of Capital
Rocky Mountain Power	09-035-23	Cost of Capital
Rocky Mountain Power	10-035-124	Cost of Capital
Rocky Mountain Power	11-035-200	Cost of Capital
Questar Gas Company	13-057-05	Cost of Capital
Rocky Mountain Power	13-035-184	Cost of Capital
Dominion Energy Utah	19-057-13	Capital Structure & Imputed Debt
Dominion Energy Utah	19-057-02	Cost of Capital

SOUTH CAROLINA PUBLIC SERVICE COMMISSION		
Piedmont Municipal Power	82-352-E	Forecasting

PUBLIC UTILITY COMMISSION OF TEXAS		
Central Power & Light Co.	6375	Cost of Capital, Financial Integrity
Central Power & Light Co.	9561	Cost of Capital, Revenue Requirements
Central Power & Light Co.	7560	Deferred Accounting
Central Power & Light Co.	8646	Rate Design, Excess Capacity
Central Power & Light Co.	12820	STP Adj. Cost of Capital, Post Test-year adjustments, Rate Case Expenses
Central Power & Light Co.	14965	Salary & Wage Exp., Self-Ins. Reserve, Plant Held for Future use, Post Test Year Adjustments, Demand Side Management, Rate Case Exp.
Central Power & Light Co.	21528	Securitization of Regulatory Assets
El Paso Electric Co.	9945	Cost of Capital, Revenue Requirements, Decommissioning Funding
El Paso Electric Co.	12700	Cost of Capital, Rate Moderation Plan, CWIP, Rate Case Expenses
El Paso Electric Co.	46831	Cost of Capital, Decommissioning Funding, Allocation
Entergy Gulf States Inc.	16705	Cost of Service, Rate Base, Revenues, Cost of Capital, Quality of Service
Entergy Gulf States Inc.	21111	Cost Allocation
Entergy Gulf States Inc.	21984	Unbundling
Entergy Gulf States Inc.	22344	Capital Structure
Entergy Gulf States Inc.	22356	Unbundling
Entergy Gulf States Inc.	24336	Price to Beat
Gulf States Utilities Co.	5560	Cost of Service
Gulf States Utilities Co.	6525	Cost of Capital, Financial Integrity
Gulf States Utilities Co.	6755/7195	Cost of Service, Cost of Capital, Excess Capacity
Gulf States Utilities Co.	8702	Deferred Accounting, Cost of Capital, Cost

		of Service
Gulf States Utilities Co.	10894	Affiliate Transaction
Gulf States Utilities Co.	11793	Section 63, Affiliate Transaction
Gulf States Utilities Co.	12852	Deferred acctng., self-ins. reserve, contra AFUDC adj., River Bend Plant specifically assignable to Louisiana, River Bend Decomm., Cost of Capital, Financial Integrity, Cost of Service, Rate Case Expenses
GTE Southwest, Inc.	15332	Rate Case Expenses
Houston Lighting & Power	6765	Forecasting
Houston Lighting & Power	18465	Stranded costs
Lower Colorado River Authority	8400	Debt Service Coverage, Rate Design
Southwestern Electric Power Co.	5301	Cost of Service
Southwestern Electric Power Co.	4628	Rate Design, Financial Forecasting
Southwestern Electric Power Co.	24449	Price to Beat Fuel Factor
Southwestern Bell Telephone Co.	8585	Yellow Pages
Southwestern Bell Telephone Co.	18509	Rate Group Re-Classification
Southwestern Public Service Co.	13456	Interruptible Rates
Southwestern Public Service Co.	11520	Cost of Capital
Southwestern Public Service Co.	14174	Fuel Reconciliation
Southwestern Public Service Co.	14499	TUCO Acquisition
Southwestern Public Service Co.	19512	Fuel Reconciliation
Southwestern Public Service Co.	47527	Cost of Capital
Southwestern Public Service Co.	49831	Cost of Capital
Texas-New Mexico Power Co.	9491	Cost of Capital, Revenue Requirements, Prudence
Texas-New Mexico Power Co.	10200	Prudence
Texas-New Mexico Power Company	17751	Rate Case Expenses

Texas-New Mexico Power Company	21112	Acquisition risks/merger benefits
Texas Utilities Electric Co.	9300	Cost of Service, Cost of Capital
Texas Utilities Electric Co.	11735	Revenue Requirements
TXU Electric Company	21527	Securitization of Regulatory Assets
West Texas Utilities Company	7510	Cost of Capital, Cost of Service
West Texas Utilities Company	13369	Rate Design

RAILROAD COMMISSION OF TEXAS		
Energas Company	5793	Cost of Capital
Energas Company	8205	Cost of Capital
Energas Company	9002-9135	Cost of Capital, Revenues, Allocation
Lone Star Gas Company	8664	Rate Design, Cost of Capital, Accumulated Depr. & DFIT, Rate Case Exp.
Lone Star Gas Company-Transmission	8935	Implementation of Billing Cycle Adjustment
Southern Union Gas Company	6968	Rate Relief
Southern Union Gas Company	8878	Test Year Revenues, Joint and Common Costs
Texas Gas Service Company	9465	Cost of Capital, Cost of Service, Allocation
TXU Lone Star Pipeline	8976	Cost of Capital, Capital Structure
TXU-Gas Distribution	9145-9151	Cost of Capital, Transport Fee, Cost Allocation, Adjustment Clause
TXU-Gas Distribution	9400	Cost of Service, Allocation, Rate Base, Cost of Capital, Rate Design
Westar Transmission Company	4892/5168	Cost of Capital, Cost of Service
Westar Transmission Company	5787	Cost of Capital, Revenue Requirement
Atmos	10000	Cost of Capital
ATMOS	10580	Cost of Capital

TEXAS WATER COMMISSION		
Southern Utilities Company	7371-R	Cost of Capital, Cost of Service

SCOTSBUFF, NEBRASKA CITY COUNCIL		
K. N. Energy, Inc.		Cost of Capital

HOUSTON CITY COUNCIL		
Houston Lighting & Power Company		Forecasting

PUBLIC UTILITY REGULATION BOARD OF EL PASO, TEXAS		
Southern Union Gas Company		Cost of Capital

DISTRICT COURT CAMERON COUNTY, TEXAS		
City of San Benito, et. al. vs. PGE Gas Transmission et. al.	96-12-7404	Fairness Hearing

DISTRICT COURT HARRIS COUNTY, TEXAS		
City of Wharton, et al vs. Houston Lighting & Power	96-016613	Franchise fees

DISTRICT COURT TRAVIS COUNTY, TEXAS		
City of Round Rock, et al vs. Railroad Commission of Texas et al	GV 304,700	Mandamus

DISTRICT COURT SOUTH DAYTONA, FLORIDA		
City of South Daytona v. Florida Power and Light	2008-30441-CICI	Stranded Costs

**FEDERAL RESERVE FEDERAL OPEN MARKET COMMITTEE
(FOMC) STATEMENT**

PRESS RELEASE (APRIL 28, 2021)

**BUREAU OF ECONOMIC ANALYSIS GROSS DOMESTIC
PRODUCT**

FIRST QUARTER 2021 (APRIL 29, 2021)

**U.S. BUREAU OF LABOR STATISTICS ECONOMIC NEWS
RELEASE**

EMPLOYMENT SITUATION SUMMARY (APRIL 2, 2021)

Press Release



April 28, 2021

Federal Reserve issues FOMC statement

For release at 2:00 p.m. EDT

Share 

The Federal Reserve is committed to using its full range of tools to support the U.S. economy in this challenging time, thereby promoting its maximum employment and price stability goals.

The COVID-19 pandemic is causing tremendous human and economic hardship across the United States and around the world. Amid progress on vaccinations and strong policy support, indicators of economic activity and employment have strengthened. The sectors most adversely affected by the pandemic remain weak but have shown improvement. Inflation has risen, largely reflecting transitory factors. Overall financial conditions remain accommodative, in part reflecting policy measures to support the economy and the flow of credit to U.S. households and businesses.

The path of the economy will depend significantly on the course of the virus, including progress on vaccinations. The ongoing public health crisis continues to weigh on the economy, and risks to the economic outlook remain.

The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. With inflation running persistently below this longer-run goal, the Committee will aim to achieve inflation moderately above 2 percent for some time so that inflation averages 2 percent over time and longer-term inflation expectations remain well anchored at 2 percent. The Committee expects to maintain an accommodative stance of monetary policy until these outcomes are achieved. The Committee decided to keep the target range for the federal funds rate at 0 to 1/4 percent and expects it will be appropriate to maintain this target range until labor market conditions have reached levels consistent with the Committee's assessments of maximum employment and inflation has risen to 2 percent and is on track to moderately exceed 2 percent for some time. In addition, the Federal Reserve will continue to increase its holdings of Treasury securities by at least \$80 billion per month and of agency mortgage-backed securities by at least \$40 billion per month until substantial further progress has been made toward the Committee's maximum employment and price stability goals. These asset purchases help foster smooth market functioning and accommodative financial conditions, thereby supporting the flow of credit to households and businesses.

In assessing the appropriate stance of monetary policy, the Committee will continue to monitor the implications of incoming information for the economic outlook. The Committee would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee's goals. The Committee's assessments will take into account a wide range of information, including readings on public health, labor market conditions, inflation pressures and inflation expectations, and financial and international developments.

Voting for the monetary policy action were Jerome H. Powell, Chair; John C. Williams, Vice Chair; Thomas I. Barkin; Raphael W. Bostic; Michelle W. Bowman; Lael Brainard; Richard H. Clarida; Mary C. Daly; Charles L. Evans; Randal K. Quarles; and Christopher J. Waller.

[Implementation Note issued April 28, 2021](#)

[Home \(/\)](#) | [News \(/news\)](#) | [The BEA Wire | BEA's Official Blog \(/news/blog\)](#) | [Gross Domestic Product, First Quarter 2021](#)

Gross Domestic Product, First Quarter 2021

April 29, 2021

Real gross domestic product increased at an annual rate of 6.4 percent in the first quarter of 2021, reflecting the continued economic recovery, reopening of establishments, and continued government response related to the COVID-19 pandemic. In the first quarter, government assistance payments, such as direct economic impact payments, expanded unemployment benefits, and Paycheck Protection Program loans, were distributed to households and businesses through the Coronavirus Response and Relief Supplemental Appropriations Act and the American Rescue Plan Act. In the fourth quarter of 2020, real GDP increased 4.3 percent. For more details, including source data, see the Technical Note (https://www.bea.gov/sites/default/files/2021-04/tech1q21_adv.pdf) and Federal Recovery Programs and BEA Statistics (<http://www.bea.gov/recovery>).

GDP highlights

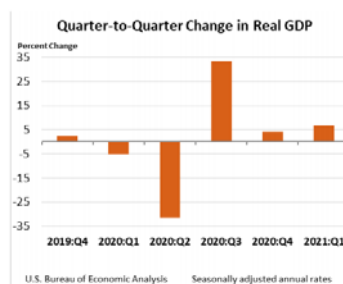
The first-quarter increase in real GDP reflected increases in consumer spending, business investment, government spending, and housing investment that were partially offset by decreases in inventory investment and exports. Imports, a subtraction in the calculation of GDP, increased.

The increase in consumer spending reflected increases in goods (led by motor vehicles and parts) and services (led by food services and accommodations).

The increase in business investment reflected increases in equipment (led by information processing equipment) and intellectual property products (led by software).

The increase in government spending primarily reflected an increase in federal spending related to payments made to banks for processing and administering the Paycheck Protection Program loan applications as well as purchases of COVID-19 vaccines for distribution to the public.

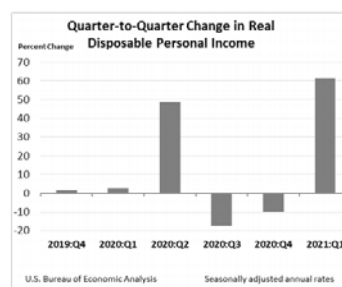
The decrease in inventory investment primarily reflected a decrease in retail trade inventories.



Personal income and saving

Real disposable personal income (DPI)—personal income adjusted for taxes and inflation—increased 61.3 percent in the first quarter after decreasing 10.1 percent in the fourth quarter of 2020.

The increase in current-dollar DPI primarily reflected an increase in government social benefits related to pandemic relief programs, notably direct economic impact payments to households established by the Coronavirus Response and Relief Supplemental Appropriations Act and the American Rescue Plan Act. Personal saving as a percent of DPI was 21.0 percent in the first quarter, compared with 13.0 percent in the fourth quarter of 2020.



Prices

Prices of goods and services purchased by U.S. residents increased 3.8 percent in the first quarter of 2021 after increasing 1.7 percent in the fourth quarter of 2020.

Energy prices increased 46.7 percent in the first quarter while food prices decreased 0.1 percent.

Excluding food and energy, prices increased 3.1 percent in the first quarter after increasing 1.6 percent in the fourth quarter of 2020.

For more information, read the full release (<https://www.bea.gov/news/2021/gross-domestic-product-first-quarter-2021-advance-estimate>).





Economic News Release



Employment Situation Summary

Transmission of material in this news release is embargoed until
8:30 a.m. (ET) Friday, April 2, 2021

USDL-21-0582

Technical information:

Household data: cpsinfo@bls.gov * www.bls.gov/cps
Establishment data: cesinfo@bls.gov * www.bls.gov/ces

Media contact: (202) 691-5902 * PressOffice@bls.gov

THE EMPLOYMENT SITUATION -- MARCH 2021

Total nonfarm payroll employment rose by 916,000 in March, and the unemployment rate edged down to 6.0 percent, the U.S. Bureau of Labor Statistics reported today. These improvements in the labor market reflect the continued resumption of economic activity that had been curtailed due to the coronavirus (COVID-19) pandemic. Job growth was widespread in March, led by gains in leisure and hospitality, public and private education, and construction.

This news release presents statistics from two monthly surveys. The household survey measures labor force status, including unemployment, by demographic characteristics. The establishment survey measures nonfarm employment, hours, and earnings by industry. For more information about the concepts and statistical methodology used in these two surveys, see the Technical Note.

Household Survey Data

The unemployment rate edged down to 6.0 percent in March. The rate is down considerably from its recent high in April 2020 but is 2.5 percentage points higher than its pre-pandemic level in February 2020. The number of unemployed persons, at 9.7 million, continued to trend down in March but is 4.0 million higher than in February 2020. (See table A-1. See the box note at the end of this news release for more information about how the household survey and its measures were affected by the coronavirus pandemic.)

Among the major worker groups, the unemployment rate for Asians rose to 6.0 percent in March, following a decline in the previous month. The jobless rate for Hispanics edged down to 7.9 percent over the month, while the rates for adult men (5.8 percent), adult women (5.7 percent), teenagers (13.0 percent), Whites (5.4 percent), and Blacks (9.6 percent) changed little. (See tables A-1, A-2, and A-3.)

Among the unemployed, the number of persons on temporary layoff declined by 203,000 in March to 2.0 million. This measure is down considerably from the recent high of 18.0 million in April 2020 but is 1.3 million higher than in February 2020. The number of permanent job losers, at 3.4 million, was little changed in March but is 2.1 million higher than February 2020. (See table A-11.)

The number of long-term unemployed (those jobless for 27 weeks or more), at 4.2 million, changed little over the month but is up by 3.1 million since February 2020. In March, these long-term unemployed accounted for 43.4 percent of the total unemployed. The

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FPUC's responses to Staff's First Set of
Interrogatories Nos. 1-9.

Interrogatory No. 1

INTERROGATORIES

1. How many Company employees have been teleworking from April 1, 2020 to date?

Company Response: There have been 128 employees tele-working since April 2020.

Respondent: *Derrick M. Craig*

Interrogatory No. 2

2. Is there a date set for when Company employees will be returning to their designated office location?

Company Response: No. Florida Public Utilities' management has not set a definitive date on the return of Company employees to their designated offices. However, management continues to monitor the COVID-19 situation and CDC recommendations in order to determine the safest and most prudent timing for employees to return to their designated office location.

Respondent: *Derrick M. Craig*

Interrogatory No. 3

3. Has FPUC permanently shifted any of its employees from a traditional in-office position to a teleworking position? If not, does FPUC have plans to do so?

Company Response: Yes. In 2017, Florida Public Utilities' front office began a pilot program to shift to a home-based workforce. The front office had already modified procedures to work within a remote environment, having almost 50% of customer service representatives working from home prior to the pandemic. This effort was part of a long-term strategy whose timing was accelerated because of COVID-19.

Respondent: *Michael Galtman*

Interrogatory No. 4

4. Has FPUC experienced a permanent reduction in the use of office space since employees have begun to telework?

Company Response: No. FPUC has experienced a temporary reduction in office utilization due to the pandemic. All office space is still being utilized, although not currently at full capacity since employees began to telework as a result of the COVID-19 pandemic.

Respondent: *Derrick M. Craig*

Interrogatory No. 5

5. If so, has FPUC repurposed its office space for alternative use, or has it sold or leased office space to other entities?

Company Response: No. Florida Public Utilities has not repurposed its office space for any alternative uses, nor has it sold or leased any of its office space to other entities as a result of more employees teleworking during the COVID-19 pandemic.

Respondent: *Michael Galtman*

Interrogatory No. 6

6. As a result of teleworking employees, has FPUC terminated any lease agreements for office space the company is no longer using?

Company Response: No, as stated in response to ROG #4, the Company is still utilizing its office spaces, although at a reduced capacity due to the COVID-19 pandemic. While the number of teleworking employees has increased, temporarily, as a result of the pandemic, office space is still necessary due to the fact that the Company's business is deemed "essential," as is a sizeable portion of its workforce. For purposes of clarity, the Company notes that it did implement a pilot teleworking initiative in 2017 to shift certain customer service representatives to a home-based work environment. As a result of this initiative, the Company amended its lease for one of its West Palm Beach offices to reflect the 65% reduced capacity. This occurred, however, in 2018, prior to the COVID-19 pandemic. With only sixteen employees remaining assigned to that building after the reduction, the Company recently made the decision to terminate the lease early with an effective date of February 23, 2022. This was due primarily to the teleworking initiative begun in 2017 rather than the teleworking necessitated by the pandemic.

Respondent: *Michael Galtman*

Interrogatory No. 7

7. Has the power consumption declined for any Company office buildings that are not currently being utilized by employees teleworking? If so, how much has power consumption decreased when compared to conditions prior to April 1, 2020?

Company Response: No. All of Florida Public Utilities Company's office buildings are currently being utilized. Due to the nature of our business, all office buildings are being used and occupied during the pandemic, albeit at temporarily reduced levels. However, it is important to note that, although the number of employees that regularly report to the office buildings has temporarily declined because of the pandemic, there is no linear relationship between this reduction in office utilization and a reduction in power consumption. Even with a reduced level of employees, office buildings still utilize a base level of electricity for lights, climate control and computer server function. Therefore, regardless of the number of people occupying the space, a consistent level of energy is still being consumed and the Company believes that any change in consumption is immaterial.

Respondent: *Derrick M. Craig*

Interrogatory No. 8

8. Has the water and wastewater usage declined for any Company office buildings that are not currently being utilized by employees teleworking? If so, how much has water and wastewater usage decreased when compared to conditions prior to April 1, 2020?

Company Response: No. All of Florida Public Utilities Company's office buildings are currently being utilized, although at a slightly reduced capacity since the start of the COVID-19 pandemic. This temporary reduction in occupancy has produced no notable decrease in water and wastewater usage.

Respondent: Derrick M. Craig

Interrogatory No. 9

9. Do Executive Order Nos. 21-101 and 21-102, signed by the Governor on May 3, 2021, affect the time period covered by, expenses included in, or any other aspect(s) of FPUC's request to record COVID-19 related expenses as a regulatory asset? If so, please list and describe each impact and any corresponding increase(s) or reduction(s) in expense(s) you anticipate as a result thereof.

Company Response: No. As proposed in the testimony of witness Derrick Craig filed with the Commission on April 2, 2021, the Company requested a regulatory asset treatment time frame that began on March 9, 2020 with issuance of Florida's first State of Emergency, and is proposed to end 60 days following the Governor's lifting of the final State of Emergency. In addition, the executive orders do not impact any of the incremental expenses that the Company has already requested for regulatory asset treatment.

Respondent: Derrick M. Craig

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of regulatory assets) Docket No. 20200194-PU
to record costs incurred due to COVID-19, by)
Florida Public Utilities Company, Florida)
Public Utilities-Indiantown Division, Florida)
Public Utilities Company-Fort Meade, Florida) Filed: June 1, 2021
Division of Chesapeake Utilities Corporation.)

DECLARATION

I hereby certify and affirm that I sponsored the Company's responses to COMMISSIONS FIRST SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY, Nos. 3,5 and 6 in Docket No. 20200194-PU. The responses are true and correct to the best of my knowledge.

Under penalty of perjury, I declare that I have read the foregoing declaration and the interrogatory responses identified above, and that the facts stated therein are true.

Michael Galtman

(name), Declarant

Dated: June 1, 2021

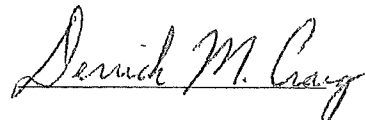
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of regulatory assets) Docket No. 20200194-PU
to record costs incurred due to COVID-19, by)
Florida Public Utilities Company, Florida)
Public Utilities-Indiantown Division, Florida)
Public Utilities Company-Fort Meade, Florida) Filed: June 1, 2021
Division of Chesapeake Utilities Corporation.)

DECLARATION

I hereby certify and affirm that I sponsored the Company's responses to COMMISSIONS FIRST SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY, Nos. 1,2,4, and 7-9 in Docket No. 20200194-PU. The responses are true and correct to the best of my knowledge.

Under penalty of perjury, I declare that I have read the foregoing declaration and the interrogatory responses identified above, and that the facts stated therein are true.



Derrick M. Craig, Declarant

Dated: May 30, 2021

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FPUC's responses to Staff's First Request for Production of Documents Nos. 1-4.

(Nos. 3 and 4 have attachments)

DOCUMENTS REQUESTED

1. Please provide all sales or lease agreements for office space that has been sold or leased to other entities by FPUC, as a result of employees teleworking, if any.

Company Response: The Company has no office space that has been sold or leased to other entities.

2. Please provide all terminated lease agreements for office space the company is no longer using, as a result of employees teleworking, if any.

Company Response: The Company currently has no lease agreements that have been terminated as a result of employee's teleworking. All leases are still currently active.

3. Please provide purchased power invoices for all meters associated with FPUC's office buildings for 2019, 2020, and all months available in 2021.

Company Response: The Company objects to this request to the extent the requested documentation is voluminous and not likely to lead to the discovery of admissible evidence pertaining to whether or not the requested accounting treatment is appropriate. Notwithstanding, and without waiving this objection, please see the attached electric invoices.

4. Please provide water and wastewater invoices for all meters associated with FPUC's office buildings for 2019, 2020, and all months available in 2021.

Company Response: The Company objects to this request to the extent the requested documentation is voluminous and not likely to lead to the discovery of admissible evidence pertaining to whether or not the requested accounting treatment is appropriate. Notwithstanding, and without waiving this objection, please see the attached water and wastewater invoices. It is important to note, that not every office building will have water and wastewater invoices due to those services being included in the lease payment.

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FPUC's responses to OPC's First Set of
Interrogatories Nos. 1-17.

(Nos. 3, 7, 9, and 10 have attachments)

Interrogatory No. 1

INTERROGATORIES

1. Provide the annual amount of bad debt expenses requested in the last base rate case requests for each of the Companies.

Company Response:

FPU Gas: \$639,175

CFG: \$43,301

Indiantown: \$ -0-

Ft. Meade: Cannot Be Determined/Ft. Meade has not had an FPSC rate case.

FPU Electric:\$221,975

Respondent: Kathy Welch

Interrogatory No. 2

2. Provide the annual amount of bad debt expenses authorized by the Commission or County Commission, if applicable, in each of the Companies' last base rate case requests.

Company Response:

FPU Gas: \$522,322
CFG: \$ 41,832
Indiantown: \$ -0-
Ft. Meade: Cannot Be Determined
FPU Electric: \$221,975

Respondent: Kathy Welch

Interrogatory No. 3

3. Provide by month, by rate class, the amount of actual bad debt expenses for the period June 2016 through December 2020 for each of the Companies.

Company Response:

Please refer to attached file “ROG1 #3 Bad Debt by Month” for bad debt expense. The Company does not book the bad debt expense by rate class.

Respondent: Kathy Welch

Interrogatory No. 4

4. Explain in detail the process by which a consumer late payment becomes a bad debt and a write off for each of the Companies. If the process has changed for any of the Companies during 2020 and 2021, please explain any differences and when the differences were applicable.

Company Response:

A customer's account is eligible for bad debt write-off 120 days after service is terminated. The customer is sent a final bill and the Companies wait 120 days after this bill to confirm that service has not been returned. This process has not changed during the 2020-2021 time frame.

Respondent: Mike Scher

Interrogatory No. 5

5. Do the Companies sell bad debts to third party collection agencies? If yes, provide the annual revenue for the past three years for each of the Companies.

Company Response:

The Companies do not sell their bad debts to third party collection agencies.

Respondent: Mike Scher

Interrogatory No. 6

6. List and describe each discrete categories and items of Covid-19 Safety Related Costs that would be subject to expense deferral under the Companies' proposals in this case.

Company Response:

Safety-related expenses include those expenses directly pertaining to the protection of the Company's employees and customers, such as costs associated with testing, monitoring, acquiring personal protective equipment (PPE), and incremental costs for cleaning and sanitizing Company property, which are being tracked for ultimate inclusion in the Companies' regulatory asset. In addition to these costs, the Companies have also considered incremental costs which were necessary to maintain operations with the social distancing restrictions imposed during the pandemic and to support our employees' wellbeing. This included incremental information technology costs for employees working remotely and higher insurance costs as a result of the pandemic environment.

Respondent: Michael Galtman and Joe Steinmetz

Interrogatory No. 7

7. For each item of Safety Related Costs for each Company, provide the monthly amount incurred to date.

Company Response:

Please refer to attached file “ROG1 #7 Safety-Related Costs By Month.”

Respondent: Elizabeth Miller

Interrogatory No. 8

8. For each item of Safety Related Costs for each Company, provide the forecasted amount if available.

Company Response:

The impacts of the pandemic continue to require the Companies to incur incremental costs to ensure safe and reliable operations throughout the pandemic. The Companies have continued to adapt to the situation throughout the pandemic and have taken the necessary actions to ensure the safety of its customers and employees. Due to the changing environment it is difficult to forecast the timing and extent of the additional expenses. To the extent there are no material changes to the safety protocols established or social distancing restrictions imposed on the Companies, we expect that the monthly impact for safety related costs will range between \$50,000 to \$60,000 per month.

Respondent: Elizabeth Miller

Interrogatory No. 9

9. Provide monthly energy sales by class for the period 2018 through the present for each Company.

Company Response:

Please refer to the attached file “ROG 1 #9-Volumes by Month 2018-20”.

Respondent: Derrick Craig

Interrogatory No. 10

10. Provide monthly revenues by class for the period 2018 through the present for each Company.

Company Response:

Please refer to the attached file “ROG 1 #10-Volumes by Month 2018-20”.

Respondents: Derrick Craig and Kathy Welch

Interrogatory No. 11

11. Provide the monthly earned return for the period 2018 through the present for each Company.

Company Response:**FPU Gas**

March 2018	5.07% ROR 8.38% ROE
June 2018	5.11% ROR 8.59% ROE
September 2018	5.00% ROR 8.43% ROE
December 2018	5.46% ROR 9.54% ROE
March 2019	5.11% ROR 8.95% ROE
June 2019	5.23% ROR 9.28% ROE
September 2019	5.51% ROR 9.91% ROE
December 2019	5.50% ROR 10.10% ROE
March 2020	5.61% ROR 10.57% ROE
June 2020	5.12% ROR 9.50% ROE
September 2020	4.89% ROR 9.05% ROE
December 2020	4.82% ROR 8.80% ROE

CFG

June 2018	4.98% ROR 8.93% ROE
December 2018	6.05% ROR 11.45% ROE
June 2019	6.54% ROR 12.82% ROE
December 2019	5.68% ROR 10.93% ROE
June 2020	5.32% ROR 10.43% ROE
December 2020	5.49% ROR 10.94% ROE

Ft. Meade

June 2018	-2.67% ROR -9.63% ROE
December 2018	-10.58% ROR -37.20% ROE
June 2019	-5.39% ROR -18.45% ROE
December 2019	-3.85% ROR -15.41% ROE
June 2020	-2.59% ROR -11.69% ROE
December 2020	-2.65% ROR -11.55% ROE

Indiantown:

June 2018	-2.56% ROR -8.89% ROE
December 2018	-4.59% ROR -14.73% ROE
June 2019	-3.61% ROR -12.86% ROE
December 2019	-3.33% ROR -12.70% ROE
June 2020	-3.31% ROR -12.81% ROE
December 2020	-3.37% ROR -12.73% ROE

FPU Electric

March 2018	4.73% ROR 8.22% ROE
June 2018	4.67% ROR 8.12% ROE
September 2018	5.00% ROR 9.09% ROE
December 2018	4.27% ROR 7.48% ROE

Interrogatory No. 11, cont.

March 2019	2.89% ROR 2.01% ROE
June 2019	2.62% ROR 2.17% ROE
September 2019	2.33% ROR 1.61% ROE
December 2019	2.47% ROR 1.99% ROE
March 2020	2.35% ROR 1.73% ROE
June 2020	2.30% ROR 1.77% ROE
September 2020	4.35% ROR 6.78% ROE
December 2020	4.82% ROR 7.82% ROE

Respondents: Derrick Craig and Kathy Welch

Interrogatory No. 12

12. Provide the current authorized earned return from the most recent rate proceeding for each Company.

Company Response:

FPU Gas 8.17% ROR, 10.85% Midpoint ROE

CFG Gas 6.83% ROR, 10.8% Midpoint ROE

Ft Meade-No rate order yet

Indiantown-No rate order since FPU purchase. 9.53% ROR, 11.5% Midpoint ROE for former owners.

FPU Electric 6.72% ROR requested-no final in settlement order. 10.25% Midpoint ROE per settlement.

Respondents: Derrick Craig and Kathy Welch

Interrogatory No. 13

13. Are the Companies' financial integrity, bond rating and or financial well-being threatened by the impact of Covid-19 on bad debt expense or safety related costs?
 - a. If the answer to this question is yes, please fully explain how and why financial integrity is threatened. If a yes response is only applicable to some of the Companies, please identify the information for each company.

Company Response:

No.

Respondents: Michael Galtman and Joe Steinmetz

Interrogatory No. 14

14. Have the Companies deferred any of these costs on any financial statements presented to investors, regulators, accountants, or any party during 2020 and 2021? If a yes response is only applicable to some of the Companies, please identify the information for each company.

Company Response:

Yes, the Companies have currently recorded regulatory assets during 2020 and 2021 for incremental bad debt expense associated with Covid-19. The Companies are keeping track of all other COVID-19 related costs for consideration for future regulatory treatment. Deferral of these costs is based on the FPSC initial order which allowed for costs to be deferred to a regulatory asset, and is consistent with ASC 980 in terms of basis for deferral.

Respondents: Michael Galtman and Joe Steinmetz

Interrogatory No. 15

15. If the Companies' responses to 14 is yes, would the Companies have under-earned during 2020 if these costs had not been deferred? If a yes response is only applicable to some of the Companies, please identify the information for each company.

Company Response:

FPU GAS: Yes

CFG GAS: No

FT. MEADE: Yes

INDIANTOWN: Yes

FPU ELECTRIC: Yes

Respondent: Derrick Craig and Kathy Welch

Interrogatory No. 16

16. Have the Companies determined or been informed from the Companies' external auditors that the Covid-19 costs are material and have a material financial impact on the Companies' financials? If a yes response is only applicable to some of the Companies, please identify the information for each company.

Company Response:

Chesapeake Utilities Corporation ("CUC") is the ultimate parent of the Companies. In connection with the 2020 full-year audit of CUC, the external auditors identified the pandemic as a market factor that was considered as part of their audit procedures. There was not a specific communication on the materiality of the financial impacts that the Companies recognized in the respective financial statements.

The Companies have been tracking and monitoring the financial impacts resulting from the pandemic on a regular basis. COVID-19 has had a material financial impact on the Companies' financial statements due to the incremental safety-related costs and higher levels of bad debt expense, as well as lower gross margins and the fees which have also resulted from the pandemic.

Respondents: Michael Galtman and Joe Steinmetz

Interrogatory No. 17

17. Do the Companies believe they have a legal order from the Commission that allows them to defer COVID costs?

Company Response:

The Companies object to this interrogatory to the extent that it is unclear as to what the OPC means by “they have a legal order” and to the extent this interrogatory could be construed to seek a purely legal conclusion rather than an opinion regarding the application of the law to the facts of this case. Notwithstanding, and without waiving their objection, the Companies respond in the affirmative that Order No. PSC-2020-0404-PAA-PU was issued consistent with the Commission’s statutory authority and provides the basis for the Companies’ deferral of COVID costs. The Companies believe that all incremental COVID-related costs are appropriate for deferral and recovery. At this time, the Companies have only deferred the bad debt expense portion of these costs into the regulatory asset, until such time as all remaining incremental costs are known and a complete analysis can be conducted.

Respondent: Michael Galtman

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of regulatory assets) Docket No. 20200194-PU
to record costs incurred due to COVID-19, by)
Florida Public Utilities Company, Florida)
Public Utilities-Indiantown Division, Florida)
Public Utilities Company-Fort Meade, Florida) Filed: April ____, 2021
Division of Chesapeake Utilities Corporation.)

DECLARATION

I hereby certify and affirm that I sponsored the Company's responses to CITIZENS' FIRST SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY, Nos. 6, 13, 14, and 16 in Docket No. 20200194-PU. The responses are true and correct to the best of my knowledge.

Under penalty of perjury, I declare that I have read the foregoing declaration and the interrogatory responses identified above, and that the facts stated therein are true.



Joseph D Steinmetz, Declarant

Dated: April 7, 2021

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of regulatory assets) Docket No. 20200194-PU
to record costs incurred due to COVID-19, by)
Florida Public Utilities Company, Florida)
Public Utilities-Indiantown Division, Florida)
Public Utilities Company-Fort Meade, Florida) Filed: April ____, 2021
Division of Chesapeake Utilities Corporation.)

DECLARATION

I hereby certify and affirm that I sponsored the Company's responses to CITIZENS' FIRST SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY, Nos. 6, 13, 14 and 16 in Docket No. 20200194-PU. The responses are true and correct to the best of my knowledge.

Under penalty of perjury, I declare that I have read the foregoing declaration and the interrogatory responses identified above, and that the facts stated therein are true.

Michael Galtman

Michael Galtman, Declarant

Dated: April 7, 2021

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of regulatory assets) Docket No. 20200194-PU
to record costs incurred due to COVID-19, by)
Florida Public Utilities Company, Florida)
Public Utilities-Indiantown Division, Florida)
Public Utilities Company-Fort Meade, Florida) Filed: April ____, 2021
Division of Chesapeake Utilities Corporation.)

DECLARATION

I hereby certify and affirm that I sponsored the Company's responses to CITIZENS' FIRST SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY, Nos. 788 in Docket No. 20200194-PU. The responses are true and correct to the best of my knowledge.

Under penalty of perjury, I declare that I have read the foregoing declaration and the interrogatory responses identified above, and that the facts stated therein are true.

Elizabeth Miller

(name), Declarant

Dated: 4/7/21


20200151.El Staff Hearing Exhibit 00037
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of regulatory assets) Docket No. 20200194-PU
to record costs incurred due to COVID-19, by)
Florida Public Utilities Company, Florida)
Public Utilities-Indiantown Division, Florida)
Public Utilities Company-Fort Meade, Florida) Filed: April ____, 2021
Division of Chesapeake Utilities Corporation.)

DECLARATION

I hereby certify and affirm that I sponsored the Company's responses to CITIZENS' FIRST SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY, Nos. 9, 10, 11, 12, 15, and 17 in Docket No. 20200194-PU. The responses are true and correct to the best of my knowledge.

Under penalty of perjury, I declare that I have read the foregoing declaration and the interrogatory responses identified above, and that the facts stated therein are true.



Derrick M. Craig, Declarant

Dated: April 8, 2021

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of regulatory assets) Docket No. 20200194-PU
to record costs incurred due to COVID-19, by)
Florida Public Utilities Company, Florida)
Public Utilities-Indiantown Division, Florida)
Public Utilities Company-Fort Meade, Florida) Filed: April ____, 2021
Division of Chesapeake Utilities Corporation.)

DECLARATION

I hereby certify and affirm that I sponsored the Company's responses to CITIZENS' FIRST SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY, Nos. 1, 2, 3, 10, 11, 12, and 15 in Docket No. 20200194-PU. The responses are true and correct to the best of my knowledge.

Under penalty of perjury, I declare that I have read the foregoing declaration and the interrogatory responses identified above, and that the facts stated therein are true.



(Kathy L. Welch), Declarant

Dated: April 5, 2021

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FPUC's responses to OPC's Second Set of
Interrogatories Nos. 18-24.

(No. 18 has an attachment)

Interrogatory No. 18(a)

INTERROGATORIES

18. In reference to page 2, lines 7 – 9, for each of the Companies (FPUC, FPUC-Indiantown, FPUC-Fort Meade, FPUC- Electric Division, and Chesapeake), please provide the following separately for each organization:

- a. The amount of COVID-19 costs deferred on the for each month in 2020 up to the most current month available;

COMPANY RESPONSE:

Please review the attached exhibit entitled “FPUC Response For Question 18A.”

Respondent: Michael Galtman

Interrogatory No. 18(b)

- b.** For each monthly amount provided in response (1.a) above, please identify the amount of cost deferral requested for each category of deferred accounting costs based on the descriptions provided at page 8, lines 3 – 6: i) incremental bad debt, ii) incremental personal protective equipment, iii) incremental safety costs, iv) incremental cleaning costs, v) incremental IT costs, vi) higher insurance premiums, and vii) incremental compensation for employees at higher risk;

COMPANY RESPONSE:

Please review the attached exhibits entitled “FPUC Response For Question 18B” and “FPUC Response For Question 18B Bad Debt 4-19.”

Respondent: Michael Galtman

Interrogatory No. 18(c)

- c. Please explain in detail what “incremental IT costs” are and how they are related to COVID-19;

COMPANY RESPONSE

Incremental IT costs include IT hardware, individually under the capitalization limit, and expenditures necessary for employees to work remotely to support operations, increased bandwidth to support having significantly more staff working from home, and additional contractor/consulting costs to assist IT in transitioning employees to effectively working from home and enhancement of virtual meeting capabilities. These costs were necessary to maintain effective operations with the social distancing restrictions imposed during the pandemic, and to support our employees’ ability to effectively work from remote locations to support reliability of operations.

Respondent: Michael Galtman

Interrogatory No. 18(d)

- d. Please identify which employees, if any, were allowed to work remotely prior to COVID-19?

COMPANY RESPONSE:

Fifteen Florida Customer Care department employees were working remotely on a full-time basis prior to the pandemic.

Respondent: Derrick Craig

Interrogatory No. 18(e)

- e. With regard to incremental compensation for employees at higher risk, please explain in detail how it was determined which employees would receive incentive compensation; how many employees received such payments, and the total amount of incentive compensation;

COMPANY RESPONSE

In order to decide which employees would receive this additional compensation, Company managers identified the front-line employees who had to interface directly with customers. In addition, managers also identified employees who could not perform their tasks remotely and had to come into the office. Collectively, managers and human resources verified this information. As stated in witness Craig's testimony, due to the nature of their jobs, many of the Companies' employees meet the definition of "front line, essential" workers. As stated in a March 28, 2020, communication from the Cybersecurity & Infrastructure Security Agency ("CISA") of the Department of Homeland Security, "Promoting the ability of such [critical infrastructure] workers to continue to work during periods of community restriction, access management, social distancing, or closure orders/directives is crucial to community resilience." The Company decided to additionally compensate these employees to ensure the sufficient coverage and maintenance of the system. Therefore, the Companies have incurred incremental expense for additional salary paid to their "front line essential" employees whose jobs required exposure to the customer while they performed their tasks needed to maintain the reliability and safety of the Companies' critical infrastructure. As a result, the managers identified 111 hourly Florida front line essential employees and an additional 20 salaried employees who were to receive this incremental compensation. This COVID-related incremental compensation totaled approximately \$407,444 and includes items such as payroll taxes and benefits as well as allocated costs from 36 employees in the shared services and corporate departments. The Company feels increasingly justified in this action due to the Biden administration's support for incentive pay to front-line workers in his "America Rescue Plan of 2021."

Respondent: Derrick Craig

Interrogatory No. 18(f)

- f. Please explain in detail the COVID-19 cost category “higher insurance premiums,” also identify the type of insurance premiums in this category, and how it was determined that the premium increase was COVID-19 related;

COMPANY RESPONSE:

As the Company was dissatisfied with the cost of its insurance premiums, the Company had met with insurance brokers over the course of 2019 in an effort to negotiate a reduction to their insurance premiums. A new broker with experience for energy delivery companies was selected and a plan was developed during the fourth quarter of 2019, with an alternative renewal strategy planned for the beginning of 2020 once an alternative renewal option would become available within the existing policy. The new broker had identified alternative carriers that had indicated available options with lower premiums. An estimated cost savings of \$330,000 had been quantified through discussions with these alternative carriers (insurance premiums are negotiated for all of Chesapeake Utilities Corporation, not just the Florida companies). Once COVID-19 hit, however, insurance companies were unwilling to write new policies (in addition to multiple carriers going out of business). Therefore, COVID created an opportunity cost to the Company of \$330,000 because the Company was on the path to achieving this reduction in insurance premiums, as well as an additional \$72,000 due to an increase in excess casualty insurance that would not have happened if a new insurance agreement had been realized.

Respondent: Michael Galtman

Interrogatory No. 18(g)

- g. For each Earnings Surveillance Report filed by each of the Companies with the Commission during 2020 and 2021, please provide the calculations and adjustments made to reflect the COVID-19 deferral.

COMPANY RESPONSE:

We have not filed any Earning Surveillance Reports (ESR) yet for 2021. For 2020, no adjustments were made to the ESR, but the “per books” amounts of O & M expense were reduced for the amount deferred in the COVID related Regulatory Asset in the December 2020 ESR. Below were the amounts deferred.

CFG:	\$ 105,738
FPU Gas:	\$ 762,138
Indiantown:	\$ 1,534
Ft. Meade	\$ 2,475
FPU Electric:	\$1,503,895

Respondent: Derrick Craig

Interrogatory No. 19

19. In reference to page 9, lines 14 – 18, please explain in detail the basis for limiting COVID-19 savings to “excess earnings.”

COMPANY RESPONSE:

The Companies object to this interrogatory to the extent that it misconstrues the Companies’ position. Notwithstanding and without waiving this objection, savings associated with our Covid-19 response are not limited to excess earnings. Witness Craig’s testimony stated that any cost savings attributable to COVID did not create excess earnings since all companies are earning below or within their allowable earnings ranges based on the amount currently deferred in the Regulatory Asset. If the Company had exceeded its allowed earnings, we would have reduced the amount deferred in the Regulatory Asset. At this time, the Companies have determined that there are no incremental savings that would have directly offset the incremental expenses already charged to the regulatory asset.

Respondent: Derrick Craig

Interrogatory No. 20

20. Did the Companies reduce travel during 2020 as a result of COVID-19?

COMPANY RESPONSE:

Yes.

Respondent: Derrick Craig

Interrogatory No. 21

21. Please provide the yearly spending on travel for the years 2018-2020 for each of the Companies.

COMPANY RESPONSE:

Below is the amount of annual expense related to travel.

	2018	2019	2020
CFG	\$ 251,890	\$ 288,096	\$ 100,042
FPU Gas	\$ 579,007	\$ 548,794	\$ 198,974
Indiantown	\$ 8,167	\$ 8,285	\$ 2,610
Ft. Meade	\$ 6,739	\$ 7,620	\$ 2,207
FPU Electric	\$ 237,771	\$ 248,917	\$ 89,320

Respondent: Derrick Craig

Interrogatory No. 22

22. For each of the Companies seeking deferred accounting, please provide the budgeted O&M, actual O&M, and variance for 2020.

COMPANY RESPONSE:

Business Unit	O & M Before COVID Costs Transferred to Regulatory Asset	Budgeted O & M	Variance Actual to Budget	3-Year Average O & M	Variance Actual to 3-Year Average
CFG	\$ 9,804,052	\$ 9,723,811	\$ 80,241	\$ 9,144,878	\$ 659,174
FPU Gas	\$ 23,873,856	\$ 23,581,509	\$ 292,347	\$ 23,507,792	\$ 366,064
Indiantown	\$ 172,026	\$ 204,241	\$ (32,215)	\$ 32,215	\$ 139,811
Ft. Meade	\$ 205,196	\$ 263,034	\$ (57,838)	\$ 209,227	\$ (4,031)
FPU Electric	\$ 13,766,724	\$ 14,027,639	\$ (260,915)	\$ 12,326,612	\$ 1,440,112

The Company did not recover these incremental COVID costs in their base rates during this period as is evident by our actual achieved rate of returns for the periods being at or below our allowable rates of return. Even with all of the incremental COVID costs that were deferred to the Regulatory Asset on our books, the Company business units would have been at or below their allowable returns on equity. However, the base rates designed from the last rate case were never designed to recover these incremental COVID costs. See below:

Business Unit	Net Income Earned Before Transfer To Regulatory Asset	Net Income Allowed at Mid- Point ROR	Variance (Under- Earned) Over- Earned	Amount Deferred
CFG	\$ 5,874,183	\$ 5,897,011	\$ (22,828)	\$ 105,738
FPU Gas	\$ 12,509,475	\$ 15,133,353	\$ (2,623,878)	\$ 762,138
Indiantown	\$ (72,776)	\$ 118,032	\$ (190,808)	\$ 1,534
Ft. Meade	\$ (33,246)	\$ 57,597	\$ (90,843)	\$ 2,475
FPU Electric	\$ 4,198,053	\$ 6,681,529	\$ (2,483,476)	\$ 1,503,895

Respondent: Derrick Craig

Interrogatory No. 23

23. For each of the Companies seeking deferred accounting, please provide the forecasted sales and revenues, budgeted sales and revenues for 2020.

COMPANY RESPONSE:

The Companies believe that the sales revenues are not relevant because they include pass-through items such as purchased gas adjustments (PGA), fuel, conservation, and storm-related transactions that should not be included in the margin analysis. However, with that caveat in mind, here are the actual and budgeted sales revenues for 2020.

	Actual Sales	Budgeted Sales	Variance
CFG:	\$ 30,500,042	\$ 25,606,017	\$ 4,894,025
FPU Gas:	\$ 92,962,652	\$ 86,793,241	\$ 6,169,411
Indiantown:	\$ 258,347	\$ 173,922	\$ 84,425
Ft. Meade	\$ 253,962	\$ 205,245	\$ 48,717
FPU Electric:	\$ 82,348,365	\$ 89,333,920	\$ (6,985,555)

Base revenues would be more appropriate for this analysis. The business unit base revenues, which exclude items such as fuel, conservation, PGA, storm surcharge and other direct pass-through revenues for 2020 are included below:

	Actual Base Revenues	Budgeted Base Revenues	Hurricane Michael Settlement Increase To Budget	Adjusted Budgeted Base Revenues	Variance
CFG	\$22,389,766	\$22,706,568	0	\$22,706,568	(\$316,802)
FPU Gas	\$54,512,934	\$55,187,455	0	\$55,187,455	(\$674,521)
Indiantown	\$231,760	\$148,699	0	\$148,699	\$83,061
Ft. Meade	\$206,982	\$183,840	0	\$183,840	\$23,142
FPU Electric	\$24,605,170	\$22,119,598	\$3,355,080	\$25,474,678	(\$869,508)

It is important to note that part of Electric's variance above budget is due to a base rate change resulting from the Hurricane Michael settlement in late 2020. Had this change to base rates been incorporated at the beginning of the year, budgeted base revenues would have increased by \$3.4 million, resulting in an actual to budget **negative** variance of approximately \$870,000.

Respondent: Derrick Craig

Interrogatory No. 24

24. For each of the Companies seeking deferred accounting in this proceeding, have any of the Companies received any government assistance for COVID-19 costs? If yes, please fully describe the assistance, the government program, and dollar amount of assistance.

COMPANY RESPONSE:

None of the Companies have received governmental assistance for COVID-19 costs.

Respondent: Michael Galtman

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of regulatory assets) Docket No. 20200194-PU
to record costs incurred due to COVID-19, by)
Florida Public Utilities Company, Florida)
Public Utilities-Indiantown Division, Florida)
Public Utilities Company-Fort Meade, Florida) Filed: April 26, 2021
Division of Chesapeake Utilities Corporation.)

DECLARATION

I hereby certify and affirm that I sponsored the Company's responses to CITIZENS' SECOND SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY, Nos. 18d, 18e, 18g, 19, 20, 21, 22, and 23 in Docket No. 20200194-PU. The responses are true and correct to the best of my knowledge.

Under penalty of perjury, I declare that I have read the foregoing declaration and the interrogatory responses identified above, and that the facts stated therein are true.



Derrick M. Craig, Declarant

Dated: April 26, 2021

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of regulatory assets) Docket No. 20200194-PU
to record costs incurred due to COVID-19, by)
Florida Public Utilities Company, Florida)
Public Utilities-Indiantown Division, Florida)
Public Utilities Company-Fort Meade, Florida) Filed: April ____, 2021
Division of Chesapeake Utilities Corporation.)

DECLARATION

I hereby certify and affirm that I sponsored the Company's responses to CITIZENS' SECOND SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY, Nos. 18a, 18b, 18c, 18f, and 24 in Docket No. 20200194-PU. The responses are true and correct to the best of my knowledge.

Under penalty of perjury, I declare that I have read the foregoing declaration and the interrogatory responses identified above, and that the facts stated therein are true.

Michael Galtman

Michael Galtman, Declarant

Dated: 4/26/21

9

FPUC's responses to OPC's Third Set of
Interrogatories.

*(Incorrectly served as Nos. 24-26, responses
given as 25-27)*

(Nos. 25 and 27 have attachments)

INTERROGATORIES

24. (25) Please list for each of the November 2020 report categories (communications expenses, legal, hazard pay, consulting, other facilities), which COVID-Specific O&M Expense categories in Interrogatory No. 7 the November 2020 report categories correspond to, and what are the amounts for these November 2020 report categories as of December 2020 for each of the Companies.

COMPANY RESPONSE

The insurance premium was not included in the November 2020 report as the methodology to quantify incremental expense impacts from the pandemic was still being refined at that time. See Table below for comparison of expense categories in Interrogatory No. 7 with the November 2020 report:

Interrogatory 7 Categories	November Report Categories
Employee Wellness	Hazard Pay for Employees
Insurance Premium	Not included in Filing
PPE	Other Facilities Costs
Office Cleaning and Site Safety	Other Facilities Costs
Other Safety Costs To Maintain Effective Operations With The Social Distancing Restrictions	Consulting, Other Communication Expense, Legal, Other Facilities Costs

Please refer to the attached file “FPUC Response To Questions 24 and 26” in order to see the dollar amounts for these items in December 2020.

Respondent: Derrick Craig and Michael Galtman

Interrogatory No. 26

25. (26) Where is the liability insurance cost identified in Interrogatory No. 7 and November 2020 report?

COMPANY RESPONSE:

As stated in the response to Question 24 (25), the insurance premium was not included in the November 2020 report as the methodology to quantify incremental expense impacts from the pandemic was still being refined at that time.

Respondent: Michael Galtman

Interrogatory No. 27

26. (27) Please provide the COVID-19 savings by the November 2020 report categories for December 2020, January 2021 and February 2021.

COMPANY RESPONSE:

Please refer the attached file “FPUC Response To Questions 24 and 26.” The savings reported for December will not tie to the savings reported in the December regulatory asset filing due to an error discovered in the savings calculations since that filing.

Respondent: Michael Galtman

20200151.El Staff Hearing Exhibit 00059
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of regulatory assets) Docket No. 20200194-PU
to record costs incurred due to COVID-19, by)
Florida Public Utilities Company, Florida)
Public Utilities-Indiantown Division, Florida)
Public Utilities Company-Fort Meade, Florida) Filed: May ____, 2021
Division of Chesapeake Utilities Corporation.)

DECLARATION

I hereby certify and affirm that I sponsored the Company's responses to CITIZENS' FIRST SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY, Nos. 24, 25, and 26 in Docket No. 20200194-PU. The responses are true and correct to the best of my knowledge.

Under penalty of perjury, I declare that I have read the foregoing declaration and the interrogatory responses identified above, and that the facts stated therein are true.

Michael Galtman

Michael Galtman, Declarant

Dated: May 4, 2021

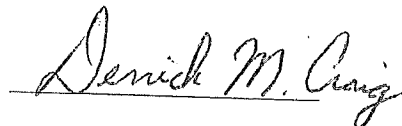
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of regulatory assets) Docket No. 20200194-PU
to record costs incurred due to COVID-19, by)
Florida Public Utilities Company, Florida)
Public Utilities-Indiantown Division, Florida)
Public Utilities Company-Fort Meade, Florida) Filed: May ____, 2021
Division of Chesapeake Utilities Corporation.)

DECLARATION

I hereby certify and affirm that I sponsored the Company's responses to CITIZENS' FIRST SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY, Number 24 in Docket No. 20200194-PU. The responses are true and correct to the best of my knowledge.

Under penalty of perjury, I declare that I have read the foregoing declaration and the interrogatory responses identified above, and that the facts stated therein are true.



Derrick M. Craig, Declarant

Dated: May 4, 2021

10

Gulf's responses to Staff's First Set of
Interrogatories Nos. 1-9.

QUESTION:

How many Company employees have been teleworking from April 1, 2020 to date?

RESPONSE:

As of April 1, 2020, approximately 350 employees of Gulf Power were working from office locations. Other Company employees work at power generation locations or in our distribution and transmission functions with work done primarily in the field. Following April 1, 2020, the preponderance of the office-based employees began to telework (working remotely, primarily from home). In June 2020, based on safety-related changes made to promote employee safety, the company welcomed up to 30% of these employees back to their offices. The actual level of employees in offices has varied but 30% remains Gulf Power's cap at this time. Gulf Power is developing plans for a gradual return to pre-COVID work locations through August of 2021, with up to 50% back by June 15, 80% back by July 15 and 100% back by August 15.

QUESTION:

Is there a date set for when Company employees will be returning to their designated office location?

RESPONSE:

See Gulf Power's response provided in Staff's First Set of Interrogatories, No. 1.

QUESTION:

Has Gulf permanently shifted any of its employees from a traditional in-office position to a teleworking position? If not, does Gulf have plans to do so?

RESPONSE:

No. Gulf Power has not shifted any of its employees from a traditional in-office position to teleworking and has no plans to do so.

QUESTION:

Has Gulf experienced a permanent reduction in the use of office space since employees have begun to telework?

RESPONSE:

No.

QUESTION:

If so, has Gulf repurposed its office space for alternative use, or has it sold or leased office space to other entities?

RESPONSE:

No. Please also see Gulf Power's response to Staff's First Set of Interrogatories, No. 4.

QUESTION:

As a result of teleworking employees, has Gulf terminated any lease agreements for office space the company is no longer using?

RESPONSE:

No.

QUESTION:

Has the power consumption declined for any Gulf office buildings that are not currently being fully utilized due to Company employees teleworking? If so, how much has power consumption decreased when compared to conditions prior to April 1, 2020?

RESPONSE:

During 2020, due to the transition to CAMS, Gulf Power updated its internal reports on electricity usage. Because of this updating process, it is difficult to ensure an entirely consistent comparison between 2019 and 2020 for all office buildings.

However, the reports for the Gulf Power office building using the most electricity, the main office at 1 Energy Place in Pensacola, Florida, are largely consistent for the period of April to December 2020 as compared to the same April to December period in 2019. The usage output for this building is shown in the table below. In sum, for the April to December period, electricity usage at 1 Energy Place declined by 4% in 2020 compared to the same period in 2019.

Gulf Power Company													
1 Energy Place, Pensacola													
2019-2020 Monthly Total kWh Usage													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Apr-Dec
2019	321,537	325,875	273,777	265,905	271,501	333,551	318,543	333,590	315,935	304,819	273,770	337,606	2,755,220
2020	325,891	325,928	264,041	263,429	255,776	314,231	300,094	331,026	297,569	300,850	275,365	318,788	2,657,128
Change	4,354	53	(9,736)	(2,476)	(15,725)	(19,320)	(18,449)	(2,564)	(18,366)	(3,969)	1,595	(18,818)	(98,092)
	1%	0%	(4)%	(1)%	(6)%	(6)%	(6)%	(1)%	(6)%	(1)%	1%	(6)%	(4)%

QUESTION:

Has the water and wastewater usage declined for any Gulf office buildings that are not currently being fully utilized due to Company employees teleworking? If so, how much has water and wastewater usage decreased when compared to conditions prior to April 1, 2020?

RESPONSE:

No. Gulf Power records water and wastewater, trash removal and gas utility bills within the same account on its books and records. For April 2019 through March 2020, the total costs in this account were \$193,049 while the total costs for April 2020 through March 2021 were \$236,021. As such, there was not a decrease seen in year over year costs as a result of employees teleworking.

QUESTION:

Do Executive Order Nos. 21-101 and 21-102, signed by the Governor on May 3, 2021, affect the time period covered by, expenses included in, or any other aspect(s) of Gulf's request to record COVID-19 related expenses as a regulatory asset? If so, please list and describe each impact and any corresponding increase(s) or reduction(s) in expense(s) you anticipate as a result thereof.

RESPONSE:

No. Gulf Power has not changed its safety-related activities as a result of the Governor's Executive Order, and therefore has no basis for anticipating a change in COVID-19 related expenses.

DECLARATION

I sponsored the answers to Interrogatory Nos. 1-9 from Staff's First Set of Interrogatories to Gulf Power Company in Docket No. 20200151-EI, and the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.



Mitchell Goldstein

Date: June 1, 2021

11

Gulf's responses to Staff's First Request for Production of Documents Nos. 1-4.

(No. 4 has an attachment)

QUESTION:

Please provide all sales or lease agreements for office space that has been sold or leased to other entities by Gulf, as a result of employees teleworking, if any.

RESPONSE:

Gulf Power has no responsive documents.

QUESTION:

Please provide all terminated lease agreements for office space the company is no longer using, as a result of employees teleworking, if any.

RESPONSE:

Gulf Power has no responsive documents.

QUESTION:

Please provide purchased power invoices for all meters associated with Gulf's office buildings for 2019, 2020, and all months available in 2021.

RESPONSE:

Gulf Power does not receive invoices for electricity usage in Gulf Power's offices or other buildings. Electricity used by Gulf Power is included in the difference between energy (kWh) generated by/for Gulf Power and energy (kWh) sold by Gulf Power to its customers, and is reflected in Gulf Power's fuel costs, as filed annually with the Florida Public Service Commission in the Fuel Clause docket.

QUESTION:

Please provide water and wastewater invoices for all meters associated with Gulf's office buildings for 2019, 2020, and all months available in 2021.

RESPONSE:

Please see attached for all water and wastewater invoices for 2019, 2020 and 2021 to date.

12

Gulf's responses to OPC's Second Set of
Interrogatories Nos. 6-13, 16-21.

QUESTION:

Provide the annual amount of bad debt expense requested in the last Gulf base rate case request, Docket No. 20160186-EI.

RESPONSE:

As reflected on MFR C-6 filed in Docket No. 20160186-EI, bad debt expense requested in the last Gulf base rate case for the 2017 Test Year was \$3,994,413.00.

QUESTION:

Provide the annual amount of bad debt expense authorized by the Commission in the last Gulf base rate case request, Docket No. 20160186-EI.

RESPONSE:

Gulf's base rates in effect are the result of a comprehensive, black box settlement agreement approved by the Commission in Order No. PSC-17-0178-S-EI, issued on May 16, 2017 in Docket Nos. 160170-EI and 160186-EI (consol.) ("2017 Settlement"). The 2017 Settlement was achieved after extensive, good faith negotiations among the signatory parties and represented a compromise of many diverse and competing litigation positions. As a result, the actual revenue requirement adopted under the 2017 Settlement was significantly less than the as filed revenue requirement. The fixed base rates approved under the 2017 Settlement were designed to achieve this settled revenue requirement, not the as-filed revenue requirement. Although the base rates charged to customers under the 2017 Settlement are fixed, the 2017 Settlement agreement did not fix or otherwise specify the amount of bad debt expense to be charged to base rates in any given year.

QUESTION:

Provide by month, by rate class, the amount of actual bad debt expense for the period June 2016 through December 2020.

RESPONSE:

Bad debt expense recorded for the period June 2016 through December 2020 is provided below. The amounts provided for 2020 do not reflect the amount of incremental bad debt expense represented in Gulf Power's reporting on the COVID Cost amounts. Also, Gulf Power does not record bad debt expense by rate class.

Uncollectible Accounts Expense	
Jun-16	\$310,076
Jul-16	\$308,286
Aug-16	\$159,704
Sep-16	\$123,963
Oct-16	\$291,607
Nov-16	\$281,788
Dec-16	\$380,785
2016	<u>\$1,856,209</u>
Jan-17	\$403,242
Feb-17	\$189,305
Mar-17	\$113,953
Apr-17	\$275,355
May-17	\$200,811
Jun-17	\$171,437
Jul-17	\$215,444
Aug-17	\$137,103
Sep-17	\$276,763
Oct-17	\$236,919
Nov-17	\$238,964
Dec-17	\$399,544
2017	<u>\$2,858,840</u>
Jan-18	\$379,180
Feb-18	\$327,889
Mar-18	(\$16,538)
Apr-18	\$384,749
May-18	\$727,949
Jun-18	\$390,274
Jul-18	\$298,286
Aug-18	\$236,441
Sep-18	\$308,877
Oct-18	\$334,882
Nov-18	\$324,246
Dec-18	\$352,941
2018	<u>\$4,049,175</u>

Jan-19	\$98,148
Feb-19	\$619,881
Mar-19	\$390,670
Apr-19	\$263,948
May-19	\$445,008
Jun-19	\$504,092
Jul-19	\$423,505
Aug-19	\$117,445
Sep-19	\$150,555
Oct-19	\$170,886
Nov-19	\$255,729
Dec-19	\$383,255
2019	<u>\$3,823,120</u>
Jan-20	\$583,165
Feb-20	\$489,246
Mar-20	\$1,269,948
Apr-20	\$379,870
May-20	\$529,776
Jun-20	\$427,121
Jul-20	\$384,033
Aug-20	\$235,516
Sep-20	\$317,251
Oct-20	\$319,415
Nov-20	\$404,279
Dec-20	\$450,433
2020	<u>\$5,790,052</u>

QUESTION:

Explain in detail Gulf's process by which a consumer late payment becomes a bad debt and a write off. If Gulf's process has changed during 2020 and 2021, please explain any differences and the date on which each difference became applicable.

RESPONSE:

Payments on monthly bills issued by Gulf Power are due 22 days from the date of the bill. Any receivables not collected within 21 days are therefore overdue and subject to a final notice. If a payment is not ultimately received by the due date of the final notice, that account becomes eligible for disconnection.

Gulf Power's write-off process begins at account closure, which can be either due to a customer's request to close his or her account or a failure to make payment to reconnect service within ten days following disconnection for non-payment. If any debt remains outstanding on the account for at least 90 days after closure, the account debt is written off.

Prior to April 2020, the timing between the account closure to write-off was at least 110 days. The change to at least 90 days resulted from aligning Gulf Power with Florida Power & Light Company's policies, as Gulf Power migrated from the Southern Company billing system to a new billing system.

It is important to note that the above process explanation is for Gulf Power's standard processes. In an effort to assist its customers with the impact of the pandemic, Gulf Power suspended customer disconnections for nonpayment and the associated write-offs from mid-March 2020 through mid-November 2020.

QUESTION:

Does Gulf sell bad debts to third party collection agencies? If yes, provide the annual revenue for the past three years.

RESPONSE:

Gulf Power does not sell bad debt to third party collection agencies.

QUESTION:

List and describe each discrete category and item of COVID-19 Safety Related Costs that would be subject to expense deferral under Gulf's proposal in this case.

RESPONSE:

There are five categories of COVID-19 Safety Related Costs to which Gulf Power has deferred in the COVID-19 regulatory asset:

1. Testing: Costs associated with testing employees and contractors for the COVID-19 virus and antibodies.
2. Personal Protective Equipment: Costs for equipment, such as masks, face-shields and gloves for individuals, required to enable personnel to work safely during the pandemic.
3. Temperature Screening: Costs for operating temperature screening devices, including personnel for monitoring said devices, at the Company's generating plants, field and corporate offices (note, however, that these amounts exclude the capital costs associated with the equipment itself). These devices measure individuals' body temperatures as they enter a building in order to keep people with high temperature out of Company facilities.
4. Facility upgrades and cleaning: Costs for materials and personnel time associated with the additional cleaning procedures instituted in all facilities at the outset of the pandemic, and special cleanings administered to areas around individuals who learn that they were infected or exposed to COVID-19 after being in one of the company facilities.
5. Other: Costs such as signage on buildings and trucks to encourage social distancing and other COVID-related safety protocols.

QUESTION:

For each item of Safety Related Costs, provide the monthly amount incurred to date.

RESPONSE:

Gulf Power interprets this question in regard to actual safety related costs recorded to the COVID-19 regulatory asset for the period April 2020 through February 2021. Based on this interpretation, please see requested information below:

Gulf Power Company												
COVID-19 Safety Related Costs Incurred to date (\$)												
	April 2020	May 2020	June 2020	July 2020	August 2020	September 2020	October 2020	November 2020	December 2020	January 2021	February 2021	Total Incurred to Date
Testing	\$0	\$251,722	\$142,598	\$9,871	\$86,298	\$239,771	\$62,823	\$68,276	\$157,709	\$82,364	\$87,613	\$1,189,045
Personal Protective Equipment	\$4,015	\$112,494	\$103,343	\$51,351	\$83,246	\$36,066	\$51,136	\$71,037	\$65,354	\$64,294	\$46,252	\$688,588
Temperature Screening	\$233,744	\$81,346	\$166,173	(\$41,838)	\$717	\$409	\$485,074		\$95,587	\$0	\$0	\$1,021,212
Facility Upgrades/ Cleaning	\$105,600	\$145,957	\$85,241	(\$55,843)	\$21,326	\$38,500	\$29,380	\$37,873	\$76,032	\$22,730	\$8,974	\$515,770
Other	\$0	\$0	\$534	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,888	\$16,422
Total	\$343,359	\$591,519	\$497,888	(\$36,459)	\$191,587	\$314,746	\$628,413	\$177,186	\$394,682	\$169,388	\$158,727	\$3,431,037

For each item of Safety Related Costs, provide the forecasted amount if available.

Gulf Power interprets this question in regard to the forecasted amount for safety related costs to be recorded to the COVID-19 regulatory asset for the remainder of 2021. Based on this interpretation, please see requested information below:

[illegible]

QUESTION:

Provide Gulf's monthly earned return for the period 2018 through the present.

RESPONSE:

Please see Attachment 1.

**Gulf Power Company
Docket No. 20200151-EI
OPC's Second Set of Interrogatories
Interrogatory No. 16
Attachment 1 of 1
Page 1 of 1**

Average Rate of Return

5.91%

QUESTION:

Provide Gulf's current authorized earned return from the most recent rate proceeding and/or settlement.

RESPONSE:

Gulf's authorized rate of return on common equity is a range of 9.25% to 11.25% with a mid-point of 10.25%, as established by the Commission in Order No. PSC-17-0178-S-EI.

QUESTION:

Is Gulf's financial integrity, bond rating and or financial well-being threatened by the impact of COVID-19 on bad debt expense or Safety Related costs?

- a. If the response is yes, please explain the answer in detail.

RESPONSE:

As of January 1, 2021, Gulf Power Company was merged into Florida Power & Light (FPL) and the then-outstanding bonds and other debt of Gulf Power were assumed by FPL. As such, the prior outstanding bond ratings of Gulf Power were withdrawn. It is important to note that Gulf Power was merged into Florida Power & Light Company on January 1, 2021, but remains a separate ratemaking entity.

In total, Gulf's present forecast is that the incremental bad debt expense and Safety Related costs associated COVID-19, net of travel and meal expense savings and medical expense savings, will be approximately \$21 million. Gulf's COVID-related costs could not have been anticipated and were not planned for or contemplated when the Commission last set base rates.

QUESTION:

Has the Company deferred any of its bad debt expenses, COVID-19 Safety Related Costs or other purported COVID-19 related costs on any financial statements presented to investors, regulators, accountants, or any party during 2020 and 2021?

- a. If the Company's response is yes, would the Company have under-earned during 2020 if these costs had not been deferred?

RESPONSE:

Yes, Gulf Power began to record the deferral of incremental COVID-19 related bad debt expense and safety related costs in July 2020.

- a. No. However, if the incremental COVID-19 related bad debt expenses and safety related costs had not been deferred, Gulf Power would have been below the mid-point of its current authorized return on equity.

QUESTION:

Has the Company determined or been informed from the company's external auditors that the COVID-19 costs are material and have a material financial impact on the Company's financials?

RESPONSE:

Gulf Power determined the COVID-19 costs to be significant to its financials due to the unanticipated nature of the charges.

QUESTION:

Does the Company believe that it currently has a legal order from the Commission that allows it to defer COVID costs?

RESPONSE:

Order No. PSC-2020-0406-PAA-EI (“PAA Order”), which is under protest of the Office of Public Counsel (“OPC”), required Gulf to “file monthly reports identifying the amounts of the costs incurred, any assistance received, and any cost savings realized, which have been recorded in the regulatory asset.” Since this order was issued, for the purpose of tracking, recording, and preserving the COVID costs that are the subject of this proceeding, Gulf has recorded the costs in Account 182.3, Other Regulatory Assets. For the purpose of transparency and compliance with the PAA Order, Gulf has continued to report the costs along with its Earnings Surveillance Report on a monthly basis. Gulf acknowledges that due to OPC’s protest, there is no final order in this proceeding on whether a regulatory asset may be established for these costs.

DECLARATION

I sponsored the answer to Interrogatory Nos. 6 -21 from OPC's Second Set of Interrogatories to Gulf Power Company in Docket No. 20200151-EI, and the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.



Mitchell Goldstein

Date: _____

13

Gulf's supplemental responses to OPC's Second
Set of Interrogatories Nos. 14, 15.

QUESTION:

Provide Gulf's monthly energy sales by class for the period 2018 through the present.

RESPONSE:

Gulf Power's response served on April 12, 2021 indicated it would file a supplemental response once it had publicly released information for 2021 actuals, which occurred on April 23, 2021.

Please see below, which has been updated to include information requested for the period of January through March 2021.

Gulf Power's monthly energy sales by class for the period 2018 through March 2021:

2018	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	ST. LIGHTING	TOTAL RETAIL KWH
January	552,070,593	307,809,956	132,868,143	2,210,846	
February	422,958,201	282,721,527	139,741,376	2,209,127	
March	317,268,870	269,303,352	121,784,219	2,218,095	
April	333,510,478	279,732,869	136,467,159	2,244,985	
May	391,255,413	309,549,446	133,769,910	2,227,511	
June	528,478,565	362,193,130	145,680,647	2,193,330	
July	610,886,141	388,273,355	163,566,661	2,249,508	
August	590,743,953	384,261,090	172,912,298	2,224,317	
September	565,984,220	382,277,030	169,038,308	2,068,379	
October	490,916,922	340,929,073	167,271,631	2,376,478	
November	338,343,013	268,175,441	139,356,102	2,044,539	
December	403,902,519	269,141,799	134,675,543	2,126,210	
TOTAL	5,546,318,888	3,844,368,068	1,757,131,992	26,393,325	11,174,212,273

2019	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	ST. LIGHTING	TOTAL RETAIL KWH
January	418,216,425	272,500,541	133,151,778	2,493,719	
February	408,580,241	268,952,515	133,771,544	2,277,467	
March	326,320,563	257,891,848	125,921,110	2,097,020	
April	327,084,227	264,053,652	135,904,656	2,398,788	
May	391,655,961	299,273,171	140,908,040	2,295,385	
June	559,602,962	362,064,890	152,755,339	2,256,786	
July	629,880,138	381,718,473	164,849,596	2,260,368	
August	602,876,009	378,616,071	166,021,912	2,673,605	
September	606,062,920	388,162,510	174,160,747	2,273,413	
October	545,510,628	365,799,680	162,725,737	2,008,413	
November	345,675,091	271,815,887	149,734,382	2,621,958	
December	385,862,274	268,868,949	125,218,426	2,276,524	
TOTAL	5,547,327,439	3,779,718,187	1,765,123,267	27,933,446	11,120,102,339

2020	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	ST. LIGHTING	TOTAL RETAIL KWH
January	395,246,215	266,496,164	124,832,683	2,385,511	
February	383,700,699	243,778,556	126,291,588	1,963,200	
March	364,457,321	250,092,458	122,276,064	1,466,174	
April	376,504,203	255,968,868	140,170,372	1,683,045	
May	346,056,181	232,289,840	123,319,286	1,513,127	
June	564,957,088	315,561,890	125,247,268	2,907,988	
July	639,363,694	401,895,552	157,080,636	2,994,843	
August	604,065,463	363,710,512	162,439,947	3,298,563	
September	557,059,493	349,197,963	158,684,851	2,340,775	
October	448,036,271	304,347,380	125,793,740	2,529,425	
November	391,359,357	318,323,445	146,489,936	2,621,884	
December	383,385,378	251,580,422	133,517,478	2,322,166	
TOTAL	5,454,191,363	3,553,243,050	1,646,143,849	28,026,701	10,681,604,963

2021	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	ST. LIGHTING	TOTAL RETAIL KWH
January	477,544,826	280,256,526	138,673,438	2,304,144	
February	431,139,077	264,006,950	116,423,394	2,324,297	
March	374,201,958	251,377,333	112,449,715	2,305,516	
April					
May					
June					
July					
August					
September					
October					
November					
December					
TOTAL	1,282,885,861	795,640,809	367,546,547	6,933,957	2,453,007,174

QUESTION:

Provide Gulf's monthly revenues by class for the period 2018 through the present.

RESPONSE:

Gulf Power's response served on April 12, 2021 indicated it would file a supplemental response once it had publicly released information for 2021 actuals, which occurred on April 21, 2021.

Please see below, which has been updated to include information requested for the period of January through March 2021.

Gulf Power's monthly revenues by class for the period 2018 through March 2021:

2018	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	ST. LIGHTING	TOTAL RETAIL REVENUE
January	79,355,335	36,587,562	13,119,492	691,003	
February	46,288,714	30,307,521	9,751,061	401,678	
March	47,621,287	30,357,998	11,061,782	425,138	
April	44,338,644	28,387,888	9,047,139	409,983	
May	61,416,990	34,823,568	10,960,883	396,614	
June	72,032,759	37,364,018	13,188,790	390,912	
July	77,980,352	39,248,929	13,996,749	420,483	
August	72,091,766	38,044,977	13,695,972	401,675	
September	69,240,425	37,367,542	14,060,186	353,447	
October	55,357,919	31,979,040	11,042,096	506,404	
November	49,037,848	28,067,749	10,468,586	314,552	
December	53,431,719	27,537,619	9,892,829	414,145	
TOTAL	728,193,758	400,074,410	140,285,565	5,126,034	1,273,679,768

2019	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	ST. LIGHTING	TOTAL RETAIL REVENUE
January	57,712,417	28,477,897	9,941,032	496,781	
February	41,378,816	25,151,838	8,455,949	352,690	
March	46,807,009	27,834,855	9,350,418	379,498	
April	44,543,989	27,825,897	10,730,516	469,241	
May	62,850,628	34,124,700	11,600,329	401,413	
June	74,296,939	36,771,890	12,243,967	444,040	
July	82,703,517	39,905,010	13,748,293	473,915	
August	78,981,268	38,971,532	13,538,070	529,894	
September	76,836,503	39,317,008	13,386,817	289,359	
October	61,110,112	34,772,227	10,991,911	453,679	
November	49,274,213	27,313,760	9,539,622	591,712	
December	54,239,730	29,335,796	8,561,180	408,306	
TOTAL	730,735,142	389,802,410	132,088,104	5,290,529	1,257,916,185

2020	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	ST. LIGHTING	TOTAL RETAIL REVENUE
January	57,597,241	29,656,679	9,248,626	517,377	
February	52,487,458	25,747,633	9,362,477	404,951	
March	53,311,835	28,990,050	8,032,362	275,618	
April	41,871,530	22,262,770	10,791,657	207,100	
May	52,586,491	26,977,866	3,892,639	342,154	
June	75,650,261	35,319,576	8,936,405	580,930	
July	83,440,663	35,256,897	17,828,376	652,973	
August	83,926,467	43,495,433	9,889,858	867,035	
September	68,868,822	35,798,563	11,578,277	265,159	
October	61,425,126	33,672,382	9,910,131	542,644	
November	50,261,867	29,765,393	11,463,215	544,488	
December	62,537,096	27,894,469	10,532,173	468,889	
TOTAL	743,964,858	374,837,709	121,466,196	5,669,320	1,245,938,083

2021	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	ST. LIGHTING	TOTAL RETAIL REVENUE
January	63,622,013	29,152,516	9,734,509	475,248	
February	57,434,981	28,553,122	8,557,867	445,634	
March	50,951,282	29,310,448	9,551,889	462,200	
April					
May					
June					
July					
August					
September					
October					
November					
December					
TOTAL	172,008,276	87,016,086	27,844,265	1,383,083	288,251,709

14

**Gulf's responses to OPC's Second Request for
Production of Documents Nos. 7, 8.**

(Nos. 7 and 8 have attachments)

QUESTION:

Provide the most recent rating agency reports for Gulf Power from Standard & Poor's, Moody's, Fitch, and any other applicable rating agency.

RESPONSE:

Please see attachments for the most recent rating agency reports of Gulf Power from Standard & Poor's, Moody's and Fitch. These reports can also be found at the following web address <http://www.investor.nexteraenergy.com/fixed-income-investors/download-library> (Rating Agency Reports), along with each rating agency's press release on Gulf Power's standalone issuer credit ratings being withdrawn following the legal merger with FPL.

QUESTION:

Provide the most recent prospectus for a Gulf Power debt issuance.

RESPONSE:

Please see attached.

15

Gulf's responses to OPC's Third Set of
Interrogatories Nos. 22-28.

QUESTION:

In reference to page 12 line 4 -5, Mr. Goldstein discusses "significant impacts of COVID-19;" please explain in detail how the term "significant" is defined, as used by Mr. Goldstein.

RESPONSE:

Mr. Goldstein used the word “significant” as it is defined in the dictionary, meaning “important and deserving of attention; of consequence.”

From a financial viewpoint, the impacts of COVID-19 have well met that definition. It is deserving of attention that Gulf Power has incurred unanticipated, incremental COVID-related costs of nearly 10% of the company’s annual net income.

QUESTION:

In reference to page 11 lines 4 – 10, has Gulf reflected deferred accounting in the monthly calculation of return in the monthly earnings surveillance reports?

- a. If yes, then for each month from April 2020 through the present, provide the quantification of the adjustment made to equity return.
- b. The response to (a) above should show the deferred accounting adjustment to the monthly earnings surveillance report "Net Operating Income," "Average Rate Base," "Average Rate of Return," "Year-end rate base," "Year-end Rate of Return," "Year-end Operating Income," and "Return on Equity."

RESPONSE:

Yes. Gulf Power has reflected the deferral of COVID related costs in its monthly earnings surveillance report ("ESR").

- a.-b. Since Gulf Power's monthly ESR is based on the amounts recorded on its books and records, it did not have to reflect an adjustment in its ESR in order to reflect deferred accounting for the COVID regulatory asset. Therefore, the request to provide adjustments to various components of Gulf's ESR and the impact to equity return as if the COVID regulatory asset did not exist is not readily available and would require substantial efforts to provide detailed analysis for all requested months. However, Gulf Power did perform the calculation as of December 2020, calculating the hypothetical impact of reversing the COVID regulatory asset and assuming all other operations and results at Gulf Power were held constant. Please see results presented in the table below:

	Adjustments to December 2020 Earnings Surveillance Report Increase/(Decrease)
Net Operating Income	\$ (12,303,732)
Average Rate Base	\$ (5,611,715)
Average Rate of Return	-0.40%
Return on Common Equity (Proforma Adjusted)	-0.93%
Year-end Net Operating Income	\$ (12,296,409)
Year-end Rate Base	\$ (5,611,715)
Year-end Rate of Return	-0.37%

QUESTION:

Please define the term "COVID costs" as used in paragraphs 15, 17 and 18 of your Petition, including a list and detailed description of all the categories and elements of costs which you contend are included in the term "COVID costs," and the dollar amounts related to each such element and item from March 1, 2020 to date.

RESPONSE:

As used throughout Gulf Power's Petition, the term "COVID costs" refers to incremental bad debt expense and safety-related costs attributable to COVID-19.

Incremental bad debt expense refers to the amount of bad debt expense incurred by Gulf Power in each month in excess of the average for that month during the 3-year period 2017 to 2019. As further explained in Gulf Power Witness Goldstein's direct testimony, for 2020, this amount was reduced by \$71,853 each month, representing the average monthly increase in bad debt expense attributed to the Gulf Power's CAMS implementation during 2020.

For definitions of the categories of safety-related costs attributed to COVID-19, please refer to Gulf Power's response to OPC's Second Set of Interrogatories No. 11.

Gulf Power began recording such costs as of April 1, 2020. The amounts of such costs are shown in Exhibit MG-1 of Gulf Power Witness Goldstein's directory testimony.

QUESTION:

Please define the term "COVID-related safety costs," as used in paragraphs 14 and 17 of your Petition, including a list and detailed description of each and every element and item of costs included in the term and the dollar amounts related to each such element and item from March 1, 2020 to date.

RESPONSE:

"COVID-related safety costs" are those costs incurred by Gulf Power to preserve the health and safety of its employees, contractors, and customers from the effects of COVID-19. Please refer to Gulf Power's response to OPC's Second Set of Interrogatories No. 11 for definitions of the individual categories of Gulf Power's safety-related costs attributed to COVID-19.

Gulf Power began recording such costs as of April 1, 2020. The amounts of such costs are shown in Exhibit MG-1 of Gulf Power Witness Goldstein's direct testimony.

QUESTION:

Please define the term "COVID-related bad debt expense," as used in paragraph 16 of your Petition, including a list and detailed description of each and every element and item of costs included in the term and the dollar amounts related to each such element and item from April 1, 2020 to date.

RESPONSE:

"COVID-related bad debt expense" is defined as the incremental bad debt expense that Gulf Power incurred, calculated on a monthly basis, as a result of the COVID pandemic. Incremental bad debt expense is calculated as the amount of bad debt expense incurred by Gulf Power in each month, less the average bad debt expense for that month during the 3-year period 2017 to 2019. As further explained in Gulf Power Witness Goldstein's direct testimony, Gulf Power reduced the amount recorded to the COVID-19 regulatory asset by \$71,853 each month during 2020 due to the suspension of customer disconnects that occurred during Gulf Power's CAMS implementation.

Gulf Power began recording such costs as of April 1, 2020. The amounts of such costs are shown in Exhibit MG-1 of Gulf Power Witness Goldstein's directory testimony.

QUESTION:

Regarding paragraph 11 of your Petition, which states you incurred a shortfall in receipt of customer bill payments, and further states the referenced shortfall was "principally" attributable to COVID-19's effects, please list in detail the other causes you have identified for the referenced shortfall, and for each such cause, list the related dollar amount of the shortfall

RESPONSE:

Gulf Power has identified its implementation of the CAMS prior to the onset of COVID-19, and the implementation's associated suspension of customer disconnections from January to March 2020, as a cause for Gulf Power's shortfall in its receipt of customer bill payments. Gulf Power has quantified this impact in terms of bad debt expense. As described in Gulf Power Witness Goldstein's direct testimony, Gulf Power estimates the 2020 monthly bad debt impact attributable to CAMS to be \$71,853.

QUESTION:

Regarding paragraph 12 of your Petition, please list, describe and quantify in dollar amounts all the referenced “uncollectible accounts” from March 2020 to present, and specify which ones have been written off.

RESPONSE:

Gulf Power’s provision for uncollectible accounts is recorded to the FERC account, 9144, Accumulated Provision for Uncollectible Accounts. The table below presents the monthly balance in the account from March 2020 to present.

9144000 - Accumulated Provision for Uncollectible Accounts

	<u>Month End Balance</u>
Mar-20	2,729,669.74
Apr-20	3,842,046.67
May-20	6,043,159.78
Jun-20	7,689,032.78
Jul-20	8,657,348.11
Aug-20	10,741,135.11
Sep-20	12,720,582.17
Oct-20	15,195,766.22
Nov-20	14,717,008.34
Dec-20	14,601,109.18
Jan-21	15,220,083.93
Feb-21	15,641,387.57
Mar-21	12,843,852.18

The estimated amount of uncollectible accounts is recorded to bad debt expense and the provision is increased in the month the revenues are recorded. Through this monthly process, the expense is recorded and the balance sheet provision for future write-offs established.

The eventual write-off for accounts which are unable to be collected is recorded after final notices are sent and a disconnect occurs. Therefore, the write-off for an uncollectible account occurs several months after bad debt expense is recorded, and, as such, the change in the balance sheet provision is not directly correlated with the write-offs in the same period. The amounts written off from March 2020 to present (March 2021) totaled \$9,079,212.47. These write-offs are not directly correlated to the increase in bad debt expense for the same period due to the timing variance explained above.

DECLARATION

I sponsored the answer to Interrogatory Nos. 22-28 from OPC's Third Set of Interrogatories to Gulf Power Company in Docket No. 20200151-EI, and the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.



Mitchell Goldstein

Date: April 26, 2021

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Gulf's responses to OPC's Third Request for Production of Documents Nos. 9-14.

(Nos. 9, 10, 13, and 14 have attachments)

QUESTION:

Please provide the income statements and general ledger account listings for bad debt expenses referenced in the Petition.

RESPONSE:

Please see responsive document attached.

QUESTION:

Please provide the income statements or general ledger accounts showing the account for customer revenue related to the previous 3 years, as well as for the available months of 2020, from January 2020 to present. If this account contains more items than customer revenue related to bill payments, i.e., deposits, etc., please provide a breakdown of each individual item included in the account for customer revenue.

RESPONSE:

Please see responsive document provided for Gulf Power's customer revenue related to bill payments for the years 2018 to present.

QUESTION:

Regarding the shortfall referenced in paragraph 11 of your Petition, please provide any and all documentation that supports the costs and bad debt expenses you attribute to the effects of COVID-19.

RESPONSE:

See responsive documents provided in response to OPC's Third Request for Production of Documents No. 13.

QUESTION:

Regarding the shortfall referenced in paragraph 11 of your Petition, please provide any and all documentation that supports the costs and bad debt expense attributable to causes other than the effects of COVID-19.

RESPONSE:

Please refer to Gulf Power's response to OPC's Third Request for Production of Documents No. 13.

QUESTION:

Please provide all documentation that supports your assertion that \$71,853 is the amount attributable to the suspension of customer disconnections that occurred during the Company's CAMS implementation.

RESPONSE:

Please see the responsive documents provided.

QUESTION:

Regarding paragraph 14 of your Petition, please provide any and all documentation that supports the costs related to each item you include in the term "COVID-related safety costs."

RESPONSE:

Please see the responsive documents provided.

17

Gulf's responses to OPC's Fourth Set of
Interrogatories Nos. 29-31.

INTERROGATORIES

29. Please refer to your response to OPC's Request for Production No.14, including but not limited to Tab 2, Bates No. 000155 of the spreadsheets you produced. Regarding all the entries for the following Accounts, please explain in detail the items, services, or elements to which each account entry and expense relate, and explain the calculation which resulted in the monthly dollar amount cost data listed for each expense.
- 8560070 External – Non-Productive
 - 8560090 Performance Incentives Overhead
 - 8560390 Gulf – Performance Incentive OH
30. Please refer to your response to OPC's Request for Production No.14, including but not limited to Tab 3 of the spreadsheets you produced. Regarding all the entries for the following Accounts, please explain in detail the items, services, or elements to which each account entry and expense relate, and explain the calculation which resulted in the monthly dollar amount cost data listed for each expense.
- 8030220 BU – Workers Compensation
 - 8110278 Environmental Services
 - 8560390 Gulf – Performance Incentive OH
31. Please refer to your response to OPC's Request for Production No.14, including but not limited to Tab 3 of the spreadsheets you produced. Please explain the difference between the line for "5800000 Other Expense" and the "Overall Result" line, including the results of the research Mr. Goldstein indicated during his deposition would be necessary to determine what is embedded in each line.

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF _____)

I hereby certify that on this _____ day of _____, 2021, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared _____, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) _____ from CITIZENS' FOURTH SET OF INTERROGATORIES TO GULF POWER CO. (NOS. 29-31) in Docket No. 20200151-EI, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this _____ day of _____ 2021.

Notary Public
State of Florida, at Large

My Commission Expires:

QUESTION:

Please refer to your response to OPC's Request for Production No. 14, including but not limited to Tab 2, Bates No. 000155 of the spreadsheets you produced. Regarding all the entries for the following Accounts, please explain in detail the items, services, or elements to which each account entry and expense relate and explain the calculation which resulted in the monthly dollar amount cost data listed for each expense.

- * 8560070 External - Non-Productive
- * 8560090 Performance Incentives Overhead
- * 8560390 Gulf - Performance Incentive OH

RESPONSE:

Amounts charged to accounts 8560070 and 8560090 represent a portion of payroll overhead costs applied to FPL employee time spent on Gulf Power projects or activities. This particular instance represents FPL employees supporting Gulf Power's COVID testing program and contact tracing initiatives. Note, payroll overhead costs are applied to ensure that FPL charges its affiliates fully loaded costs in order to comply with Rule 25-6.1351 Cost Allocation and Affiliate Transactions and FPL's Cost Allocation Manual. Please see below for additional information related to accounts 8560070 and 8560090:

- **8560070 External - Non-Productive Description**

This account represents costs billed by FPL to Gulf Power via FPL's "External Non-Productive" payroll overhead loader. This loader is applied to FPL payroll when FPL provides services to an affiliate and represents a proportionate share of the employee's non-productive time (*e.g.*, vacation time, sick time, holidays, and short term disability). The amount reflected for this account was calculated by multiplying the FPL non-productive overhead rate by the applicable FPL payroll amount charged to Gulf Power for each month.

- **8560090 Performance Incentives Overhead**

This account represents costs billed by FPL to Gulf Power via a payroll overhead loader for short-term incentives when FPL provides services to an affiliate. Note, this payroll overhead is only applied to FPL employees eligible for incentives. The amount reflected for this account was calculated by multiplying the FPL performance incentive overhead rate by the applicable FPL payroll amount charged to Gulf Power for each month.

- **8560390 Gulf - Performance Incentive OH**

Amounts charged to 8560390 represent costs for short term incentives applied to every eligible Gulf Power employee payroll charge through a payroll overhead loader. The amount reflected for this account was calculated by multiplying the Gulf Power performance incentive overhead rate by the applicable Gulf Power payroll amount for each month.

In preparation of this response, Gulf Power determined it inadvertently recorded Gulf Power employee straight time payroll and related payroll overhead costs to the COVID regulatory asset for a total of \$103,306. These amounts are recovered through base rates and, therefore, will be removed from the regulatory asset and charged to base operations and maintenance expense in May 2021.

QUESTION:

Please refer to your response to OPC's Request for Production No. 14, including but not limited to Tab 3 of the spreadsheets you produced. Regarding all the entries for the following Accounts, please explain in detail the items, services, or elements to which each account entry and expense relate, and explain the calculation which resulted in the monthly dollar amount cost data listed for each expense.

- * 8030220 BU - Workers Compensation
- * 8110278 Environmental Services
- * 8560390 Gulf - Performance Incentive OH

RESPONSE:**8030220 BU - Workers Compensation**

Amounts charged to 8030220 represent employee workers compensation insurance costs applied to employee payroll in Gulf Power's Power Delivery Business Unit through a payroll overhead loader. This overhead rate serves to allocate the workers compensation insurance premium costs across all Power Delivery employee activities. The amount reflected for this account was calculated by multiplying the Gulf Power Power Delivery workers compensation overhead rate by the applicable Gulf Power payroll amount for each month.

8110278 Environmental Services

In preparation of this response, Gulf Power determined it inadvertently recorded \$9,754.37 for environmental services to the COVID regulatory asset. This amount will be removed from the regulatory asset in May 2021.

8560390 Gulf - Performance Incentive OH

Amounts charged to 8560390 represent costs for short term incentives applied to every eligible Gulf Power employee payroll charge through a payroll overhead loader. The amount reflected for this account was calculated by multiplying the Gulf Power performance incentive overhead rate by the applicable Gulf Power payroll amount for each month.

As stated in FPL's response to OPC's Fourth Set of Interrogatories, No. 29, Gulf Power determined it inadvertently recorded Gulf Power employee straight time payroll and related payroll overhead costs to the COVID regulatory asset. These amounts will be removed from the regulatory asset and charged to base operations and maintenance expense in May 2021.

QUESTION:

Please refer to your response to OPC's Request for Production No. 14, including but not limited to Tab 3 of the spreadsheet you produced. Please explain the difference between the line for "5800000 Other Expense" and the "Overall Result" line, including the results of the research Mr. Goldstein indicated during his deposition would be necessary to determine what is embedded in each line.

RESPONSE:

The amounts recorded to account 5800000 on Tab 3 in the document provided in Gulf Power's response to OPC's Third Request for Production of Documents, No. 14 represent the journal entries in 2020 through January 2021 to the COVID regulatory asset for personal protective equipment (PPE) costs for Gulf Power's Power Delivery and Power Generation Business Units. The amounts recorded to account 5800000 are included in the total amount for each month, which is reflected as the Overall Result. A detailed breakdown of these PPE costs are provided in Gulf Power's response to OPC's Fourth Request For Production of Documents, No. 15.

As stated in FPL's response to OPC's Fourth Set of Interrogatories, No. 29, Gulf Power determined it inadvertently recorded Gulf Power employee straight time payroll and related payroll overhead costs to the COVID regulatory asset. These amounts will be removed from the regulatory asset and charged to base operations and maintenance expense in May 2021.

DECLARATION

I sponsored the answer to Interrogatory Nos. 29-31 from OPC's Fourth Set of Interrogatories to Gulf Power Company in Docket No. 20200151-EI, and the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.



Mitchell Goldstein

Date: May 20, 2021

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Gulf's responses to OPC's Fourth Request for Production of Documents No. 15.

QUESTION:

Please produce any and all documents that support, evidence or relate to your response to OPC's Interrogatory Nos. 29 through 31.

RESPONSE:

Please see the responsive document provided.

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FPUC's responses to Staff's First Data Requests on Settlement



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

June 24, 2021

E-PORTAL

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

Re: **Docket No. 20200151-EI** - Petition for approval of a regulatory asset to record costs incurred due to COVID-19, by Gulf Power Company.

Docket No. 20200194-PU – Petition for approval of regulatory assets to record costs incurred due to COVID-19, by Florida Public Utilities Company, Florida Public Utilities Company - Indiantown Division, Florida Public Utilities Company - Fort Meade, Florida Division of Chesapeake Utilities Corporation.

Dear Mr. Teitzman:

Attached for filing in the referenced consolidated dockets, please find the Responses of Florida Public Utilities/Florida Division of Chesapeake Utilities Corporation to Commission Staff's First Data Requests regarding the Stipulation and Settlement filed June 11, 2021.

As always, thank you for your assistance with this filing. Please do not hesitate to let me know if you have any questions whatsoever.

Sincerely,

s/Beth Keating

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

Enclosures
cc:// (Service List)

20200151.EI Staff Hearing Exhibit 00131

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of a regulatory asset to record costs incurred due to COVID- 19, by Gulf Power Company.

DOCKET NO. 20200151-EI

In re: Petition for approval of regulatory assets to record costs incurred due to COVID-19, by Florida Public Utilities Company, Florida Public Utilities Company - Indiantown Division, Florida Public Utilities Company - Fort Meade, Florida Division of Chesapeake Utilities Corporation.

DOCKET NO. 20200194-PU

FILED: June 24, 2021

FLORIDA PUBLIC UTILITIES COMPANY AND FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION'S RESPONSES TO STAFF'S FIRST DATA REQUESTS ON SETTLEMENT

Florida Public Utilities Company and the Florida Division of Chesapeake Utilities Corporation (herein jointly "FPUC" or "Companies"), hereby submits their Responses to the First Data Requests from Commission Staff regarding the Settlement and Stipulation between FPUC and the Office of Public Counsel, filed June 11, 2021.

1. What carrying charges, if any, will apply to the unamortized balance of the regulatory asset? If a carrying charge is involved, what is the rate and how was the rate determined?

Company Response:

Florida Public Utilities has not included any carrying costs in the COVID-19 regulatory asset balances. The unamortized balance of the regulatory asset will be included in rate base (working capital) and included in the calculation of the actual rate of return in the surveillance

20200151.EI Staff Hearing Exhibit 00132

Docket No. 20200194-PU (20200151)

filings. In addition, any portion of the amortization included in the over/under-recovery for Fuel or PGA would include the normal calculation of interest used in those filings.

2. For the proposed regulatory asset balance of \$2,085,759, what are the total amounts assigned to each division of the Florida Public Utilities Company and the Florida Division of Chesapeake Utilities Corporation?

Company Response:

For the proposed regulatory asset balance of \$2,085,759, the total amounts assigned to each division of the Florida Public Utilities Companies are as follows:

<i>FPUC Business Unit</i>	<i>Regulatory Asset Assignment</i>
Florida Public Utilities Company – Electric Division	\$1,354,120
Florida Public Utilities Company – Gas Division	\$577,153
Florida Division of Chesapeake Utilities Corporation	\$149,438
Florida Public Utilities Company – Fort Meade	\$4,498
Florida Public Utilities Company – Indiantown Division	\$550
Total of Regulatory Asset Assignments	\$2,085,759

20200151.EI Staff Hearing Exhibit 00133

Docket No. 20200194-PU (20200151)

3. For the proposed regulatory asset balance of \$2,085,759, what is the amount attributed to each of the COVID-19 related incremental expense categories: bad debt write-offs, personal protective equipment, cleaning, and business information services for remote working?

Company Response:

For the proposed regulatory asset balance of \$2,085,759, the amounts attributed to each of the COVID-19 related incremental expense categories are as follows:

<i>Expense Category</i>	<i>FPUC Gas</i>	<i>Chesapeake Gas- Florida Division</i>	<i>FPUC- Indiantown Gas</i>	<i>FPUC-Fort Meade Gas</i>	<i>FPUC Electric</i>
Bad Debt	\$388,243	\$117,451	\$187	\$4,082	\$1,292,877
PPE	\$95,749	\$7,141	\$22	\$21	\$19,909
Cleaning	\$27,678	\$8,361	\$107	\$106	\$8,666
Information Services	\$65,483	\$16,485	\$234	\$289	\$32,668
Totals	\$577,153	\$149,438	\$550	\$4,498	\$1,354,120

4. Please identify and describe the types of costs incurred under the category “business information services for remote working.”

Company Response:

The types of costs included in the “business information services for remote working” category are information technology expenditures that, among other things,

20200151.EI Staff Hearing Exhibit 00134

Docket No. 20200194-PU (20200151)

- increased the corporate bandwidth so that a predominance of employees could work remotely,
- purchased additional printers, laptops, and monitors for remote employee use,
- purchased additional hardware for the call center, and,
- paid for additional corporate virtual meeting (Webex) usage.

5. The Settlement Agreement proposes the establishment of a regulatory asset in the amount of \$2,085,759. This amount would include COVID-19 related incremental expenses for bad debt write-offs, personal protective equipment, cleaning, and business information services for remote working, as of June 30, 2021. If any additional costs listed above are incurred after June 30, 2021, does FPUC intend to seek recovery of these new costs in a future proceeding?

Company Response:

At this time, the Company does not anticipate an additional future proceeding for recovery of Covid-related expenses. However, should the COVID-19 pandemic enter a resurgence, or should an event unrelated to the COVID-19 pandemic occur, then the Company will re-evaluate the potential to seek recovery related to the costs associated with that particular set of circumstances at that time.

20200151.EI Staff Hearing Exhibit 00135

Docket No. 20200194-PU (20200151)

6. Page 4 of the Settlement Agreement provides proposed categories of costs, including health claims, communication, consulting, legal, and other, totaling \$352,227, which would be deemed recovered through COVID-19 related savings as of June 30, 2021. If any additional costs listed above are incurred after June 30, 2021, does FPUC intend to seek recovery of these new costs in a future proceeding?

Company Response:

At this time, the Company does not anticipate an additional future proceeding. However, should the COVID-19 pandemic enter a resurgence, or should an event unrelated to the COVID-19 pandemic occur, then the Company will re-evaluate the potential to seek recovery of the costs related to that particular set of circumstances at that time.

7. Page 5 of the Settlement Agreement states amounts pertaining to incremental (“hazard”) pay and the lost opportunity for a reduced insurance premium for the prior period up to and including April 30, 2021, totaling \$767,803, shall be deemed to have been fully recovered by the Companies. If any additional costs listed above are, or have been, incurred after April 30, 2021, does FPUC intend to seek recovery of these new costs in a future proceeding?

Company Response:

At this time, the Company does not anticipate an additional future proceeding. However, should the COVID-19 pandemic enter a resurgence, or should an event unrelated to the COVID-19 pandemic occur, then the Company will re-evaluate the potential to seek recovery of the costs related to that particular set of circumstances at that time.

20200151.EI Staff Hearing Exhibit 00136

Docket No. 20200194-PU (20200151)

8. What is the monthly bill impact on a 1,000 kWh basis of the proposed recovery for Florida Public Utilities Company – Electric Division?

Company Response:

The proposed bill impact of a typical Florida Public Utilities Company – Electric Division residential customer using 1,000 kWh of electricity is an additional \$1.11 per month. This calculated bill impact is based on the forecasted customer usage for 2021. Projected usage for a different calendar year, such as 2022, is expected to produce a slightly different result, but the difference is expected to be immaterial.

9. What is the monthly bill impact on a 20 therm basis of the proposed recovery for Florida Public Utilities Company – Gas Division?

Company Response:

The proposed bill impact of a typical Florida Public Utilities Company – Gas Division residential customer using 20 therms of natural gas is \$0.07 per month. This projected bill impact is based on the forecasted customer usage for 2021. Projected usage for a different calendar year, such as 2022, is expected to produce a slightly different result, but the difference is expected to be immaterial.

20200151.EI Staff Hearing Exhibit 00137

Docket No. 20200194-PU (20200151)

10. What is the monthly bill impact on a 20 therm basis of the proposed recovery for Florida Public Utilities Company – Indiantown Division?

Company Response:

The proposed bill impact of a typical Florida Public Utilities Company – Indiantown Division customer (TS-1) using 20 therms of natural gas is \$0.06 per month. This calculated bill impact is based on the forecasted customer usage for 2021..As noted above, the precise impact will depend upon projected customer usage, and will change slightly with each new projection for the upcoming calendar year.

11. What is the monthly bill impact on a 20 therm basis of the proposed recovery for Florida Public Utilities Company – Fort Meade?

Company Response:

The proposed bill impact of a typical Florida Public Utilities Company – Fort Meade Division residential customer using 20 therms of natural gas is \$0.07 per month. This calculated bill impact is based on the forecasted customer usage for 2021. As noted above, the precise impact will depend upon projected customer usage, and will change slightly with each new projection for the upcoming calendar year.

20200151.EI Staff Hearing Exhibit 00138

Docket No. 20200194-PU (20200151)

12. What is the monthly bill impact on a 20 therm basis of the proposed recovery for the Florida Division of Chesapeake Utilities Corporation?

Company Response:

The proposed bill impact of a typical Florida Division of Chesapeake Utilities Corporation customer (FTS-1) using 20 therms of natural gas is \$0.06 per month. This calculated bill impact is based on the forecasted customer usage for 2021. As noted above, the precise impact will depend upon projected customer usage, and will change slightly with each new projection for the upcoming calendar year.

20200151.EI Staff Hearing Exhibit 00139

Docket No. 20200194-PU (20200151)

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing responses to Staff's First Data Requests on Settlement have been furnished by Electronic Mail to the following parties of record this 24th day of June, 2021:

Office of the General Counsel Jennifer Crawford Walter Trierweiler Shaw Stiller 2540 Shumard Oak Blvd Tallahassee, FL 32399-0850 jcrawfor@psc.state.fl.us wtrierwe@psc.state.fl.us ssstiller@psc.state.fl.us	Joel Baker 700 Universe Boulevard Juno Beach, FL 33408-0420 Joel.baker@fpl.com
Russell A. Badders Gulf Power Company One Energy Place Pensacola, FL 32520-0780 Russell.Badders@nexteraenergy.com	Kenneth Hoffman Florida Power & Light Company 215 South Monroe Street, Suite 810 Tallahassee, FL 32301 Ken.Hoffman@fpl.com
Richard Gentry/P. Christensen/A. Pirrello/S. Morse Office of Public Counsel c/o The Florida Legislature 111 W. Madison Street, Room 812 Tallahassee, FL 32399-1400 Gentry.Richard@leg.state.fl.us Christensen.patty@leg.state.fl.us Morse.stephanie@leg.state.fl.us Pirrello.Anastacia@leg.state.fl.us	Mike Cassel Florida Public Utilities Company 208 Wildlight Ave. Yulee, FL 32097 mcassel@fpuc.com

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

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Gulf's responses to Staff's First Settlement Agreement Data Request

QUESTION:

The Settlement Agreement proposes the establishment of a regulatory asset in an amount not to exceed \$13,200,000. When will the final amount of the regulatory asset be determined?

RESPONSE:

The final amount of the regulatory asset will be determined when Gulf Power closes its books and records for the month of June 2021 and the amount is reflected in Gulf Power's June 2021 earnings surveillance report. Based on Gulf Power's current forecast, it anticipates the final amount will be \$13.2 million.

QUESTION:

The proposed regulatory asset would include COVID-19 related incremental bad debt expenses and safety-related expenses, as of June 30, 2021. Additionally, the Settlement Agreement states any COVID-19 related incremental costs incurred after June 30, 2021, and through December 31, 2021, will be deemed a separate event and already recovered through rates. If any additional COVID-19 related expenses are incurred after December 31, 2021, does Gulf intend to seek recovery of these new costs in a future proceeding?

RESPONSE:

Gulf Power does not currently anticipate that it will incur any incremental costs related to COVID-19 following December 31, 2021. However, if COVID-19 or any other pandemic-related incremental costs were to reemerge and cause significant costs, a decision on whether to seek recovery of those costs would be made based on the circumstances present at that time.

QUESTION:

For the maximum proposed regulatory asset balance of \$13,200,000, what amount would be attributed to incremental bad debt expenses and what amount would be attributed to safety-related expenses?

RESPONSE:

The chart below presents the estimated amounts attributed to incremental bad debt and safety related expenses, as well as the reduction for expense savings, based on forecasted data as of June 30, 2021 for a maximum regulatory asset balance of \$13.2 million.

Incremental Bad Debt Expenses	\$ 11,890,391
Safety-Related Expenses	3,942,911
Reduction in Travel and Meal Expenses	(1,006,724)
Reduction in Medical Expenses	(1,626,578)
	<u>\$ 13,200,000</u>

QUESTION:

What would be the monthly bill impact on a 1,000 kWh basis of the proposed recovery of \$13,200,000?

RESPONSE:

Beginning January 1, 2022, the monthly bill impact on a 1,000 kWh basis of the proposed recovery of \$13,200,000 over three years is expected to be an increase of about \$0.03 or about 0.02%. This impact is based the consolidation of FPL and Gulf Power customers and unification of rates requested in Docket No. 20210015-EI beginning January 1, 2022.

QUESTION:

Please refer to paragraph 5 on page 5 of the Settlement Agreement. This provision states that the carrying charge of 3.61 percent “shall be subject to annual adjustment.” Please describe the annual adjustment and how it will be effectuated for purposes of recovery of the regulatory asset.

RESPONSE:

Consistent with this provision, Gulf Power will annually update the long-term debt rate applied to the unrecovered COVID-19 regulatory asset to reflect the long-term debt rate included in Gulf Power’s forecasted weighted average cost of capital used in the fuel and purchased power clause projection filing each year. If Gulf Power’s rates are later unified with those of Florida Power & Light Company (“FPL”), as is requested in Docket No. 20210015-EI, the long-term debt rate applied to the unrecovered COVID-19 regulatory asset would be the consolidated (FPL and Gulf Power) forecasted weighted average cost of capital used in the fuel and purchased power clause projection filing.

20200151.EI Staff Hearing Exhibit 00146

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of a regulatory asset to) Docket No.: 20200151-EI
record costs incurred due to COVID-19,)
by Gulf Power Company)

In re: Petition for approval of regulatory) Docket No. 20200194-PU
assets to record costs incurred due to COVID-19,)
by Florida Public Utilities Company, Florida)
Public Utilities Company - Indiantown Division,)
Florida Public Utilities Company - Fort Meade,)
Florida Division of Chesapeake Utilities)
Corporation.)

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing has been furnished by electronic mail this 25th day of June, 2021 to the following:

Office of Public Counsel
Richard Gentry
Stephanie A. Morse
Patricia A. Christensen
Anastacia Pirrello
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Beth Keating
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bkeating@gunster.com

By: /s/ Joel T. Baker
Joel T. Baker

EXHIBIT A

EXHIBIT A

	SETTLEMENT	PGA	SWING	TOTAL GAS	FUEL
FPU NG	\$ 577,153	\$ 577,153		\$ 577,153	
FPU FT MEADE	\$ 4,498	\$ 4,498		\$ 4,498	
FPU INDIANTOWN	\$ 550	\$ 160	\$ 390	\$ 550	
CHESAPEAKE	\$ 149,438	\$ 43,501	\$ 105,937	\$ 149,438	
TOTAL GAS	\$ 731,639	\$ 625,312	\$ 106,327	\$ 731,639	
FPU ELECTRIC	\$ 1,354,120				\$ 1,354,120
TOTAL SETTLEMENT	<u>\$ 2,085,759</u>	<u>\$ 625,312</u>	<u>\$ 106,327</u>	<u>\$ 731,639</u>	<u>\$ 1,354,120</u>