

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

RECEIVED FPSC
2023 OCT 12 AM 11:48
COMMISSION CLERK
KJG

DATE: October 12, 2023

TO: Adam J. Teitzman, Commission Clerk, Office of Commission Clerk

FROM: Sevini K. Guffey, Public Utility Analyst IV, Division of Economics

RE: Docket No. 20230101-GU: Petition for approval of gas utility access and replacement directive cost recovery factors for January 2024 through December 2024, by Florida Public Utilities Company.

Place in Docket File

Please place the enclosed Attachments 2, 3, 4, and 5 in the above captioned docket in the documents tab. The attachments are referenced in FPUC's responses to Staff's First Data Request (Document No. 05239-2023).

Thank you.

REVENUE EXPANSION FACTOR

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA PUBLIC UTILITIES

Provide the calculation of the revenue expansion factor for
 the test year.

Line No.	Description	Percent	SALES	UNCOLLECTIBLE RATE
1	Revenue Requirement	100.0000%		
2	Gross Receipts Tax Rate	0.0000%		
3	Regulatory Assessment Rate	0.5030%		
4	Bad Debt Rate	0.4872%	159,484,501.61	776,984.00 0.4872%
5	Net Before Income Taxes (1) - (2) - (3) - (4)	99.0098%		
6	State Income Tax Rate	5.5000%		
7	State Income Tax (5) x (6)	5.4455%		
8	Net Before Federal Income Tax (5) - (7)	93.5643%		
9	Federal Income Tax Rate	21.0000%		
10	Federal Income Tax (8) x (9)	19.6485%		
11	Revenue Expansion Factor (8) - (10)	73.9158%		
12	Net Operating Income Multiplier (100% / Line 11)	1.3529		

Attachment 2



Attachment 3

Project Name	Location City/Town	Location County	Program Category	Program Sub-Category	Construction Estimate	Construction Estimate	2023-2024 Estimated	Footages	Miles
					Start Date	Completed Date	Investment		
Indiantown - North Ph.1	Indiantown	Martin	Problematic	Obsolete/Aldyl-A	Jul-23	Dec-23	\$ 3,169,036	27,856	5.28
Indiantown - North Ph.2	Indiantown	Martin	Problematic	Obsolete/Aldyl-A	Jan-24	May-24	\$ 1,560,912	16,531	3.13
Indiantown - South Ph.1	Indiantown	Martin	Problematic	Obsolete/Aldyl-A	Jun-24	Dec-24	\$ 2,800,000	28,685	5.43
Martin Total									13.84
Lake Park - North	Lake Park	Palm Beach	Accessibility	Rear-to-Front	Jun-23	Dec-23	\$ 4,109,604	44,345	8.40
Turnpike and Jog	West Palm Beach	Palm Beach	Problematic	Span	Jul-23	Oct-23	\$ 550,000	1,150	0.22
Turnpike and Belvedere	West Palm Beach	Palm Beach	Problematic	Span	Sep-23	Nov-23	\$ 850,000	2,457	0.47
Lake Park - South	Lake Park	Palm Beach	Accessibility	Rear-to-Front	Oct-23	Jan-24	\$ 2,121,186	18,750	3.55
Mercer Ave	West Palm Beach	Palm Beach	Problematic	Span	Oct-23	Dec-23	\$ 341,538	678	0.13
Forest Hill Villages	West Palm Beach	Palm Beach	Accessibility	Rear-to-Front	Jan-24	Jul-24	\$ 4,702,694	35,985	6.82
Park Manor	Riviera Beach	Palm Beach	Accessibility	Rear-to-Front	Jun-24	Nov-24	\$ 3,410,244	36,941	7.00
Grammercy Park	Riviera Beach	Palm Beach	Accessibility	Rear-to-Front	Jul-24	Dec-24	\$ 2,720,854	26,461	5.01
Le Chalet	Boynton Beach	Palm Beach	Problematic	Obsolete/Aldyl-A	Oct-24	Dec-24	\$ 1,245,568	11,800	2.23
Palm Beach Total									33.82
Winter Springs Ph.1	Winter Springs	Seminole	Accessibility	Rear-to-Front	Jun-23	Dec-23	\$ 1,894,849	19,890	3.77
Sanford Ph.1	Sanford	Seminole	Accessibility	Rear-to-Front	Jan-24	Apr-24	\$ 935,343	9,360	1.77
Winter Springs Ph.2	Winter Springs	Seminole	Accessibility	Rear-to-Front	Jun-24	Dec-24	\$ 2,684,684	22,360	4.23
Seminole Total									9.77
Grand Total									57.43
							\$ 33,096,512	303,249	

Attachment 4



NOTICE TO CUSTOMERS

It is our honor to be your natural gas service provider. You are our valued customer, and as such, we are providing this notice to inform you of new rates that will be effective on January 1, 2024.

On February 21, 2023, Florida Public Utilities Company (“FPUC”) filed for approval of its Gas Utility Access and Replacement Directive or GUARD Program. GUARD will replace the former GRIP program. Similar to the Company’s GRIP program, GUARD enables the Company to enhance the safety, reliability and accessibility of portions of its natural gas distribution system. These include the following: relocation of mains and service lines located in rear easements and other difficult to access areas to the front along the street and replacement of potentially problematic distribution mains, services and M&R equipment identified since GRIP was implemented, as well as correction of other similar situations involving the location or compromised condition of facilities, particularly in well-populated areas. The Company sought approval of a 10-year program, at an estimated cost of \$215 million and a cost recovery mechanism to allow the Company to expedite the remediation of these issues that the Company has identified as potentially impacting the safety and reliability of service to its customers, as well as the public in general. None of the contemplated projects proposed in this program were included in the Company’s recently approved rate case.

On August 2, 2023, the Commission approved the Company’s petition and recovery mechanism with rates effective January 1, 2024. Below are the rate comparison of 2023 GRIP and proposed 2024 GUARD rates per therm for sales service and transportation customers.

<u>Rate Schedule</u>	<u>GRIP</u> <u>2023</u>	<u>GUARD</u> <u>2024</u>
RES-1 and REST-1	\$0.11016	\$0.05887
RES-2 and REST-2	\$0.04443	\$0.03263
RES-3 and REST-3	\$0.01869	\$0.01557
RES-SG and SGT	\$0.07555	\$0.04523
GS-1 and GTS-1	\$0.03653	\$0.02654
GS-2 and GTS-2	\$0.01449	\$0.01824
GS-3 and GTS-3	\$0.01264	\$0.01686
GS-4 and GTS4	\$0.01164	\$0.01621
GS-5 and GTS-5	\$0.01075	\$0.01451
GS-6 and GTS-6	\$0.01062	\$0.01356
GS-7 and GTS-7	\$0.01041	\$0.01249
GS-8A and GTS-8A	\$0.01032	\$0.01559
GS-8B and GTS-8B	\$0.01032	\$0.01559
GS-8C and GTS-8C	\$0.01032	\$0.01559
GTS-8D and GTS 8D	\$0.01032	\$0.01559
COM-INT and COM-INTT	\$0.00522	\$0.00710
COM-NGV and COM-NGVT	\$0.00826	\$0.01161
COM-OL and COM-OLT	\$0.01144	\$0.02092
COM-SG and COM-SGT	\$0.05750	\$0.05010