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FPUC's Response to Staff's Second
Interrogatories Nos. 5-6

Interrogatory 5A

Please refer to Schedule C-1, Page 1 of 3, of FPUC's August 6, 2021 filing in Docket No. 20210004-GU to answer the following questions.

5. Schedule C-1, Page 1 of 3, proposes a conservation cost recovery factor of \$0 per therm for the TS4 (Indiantown Division) rate class in the January – December 2022 period. Please answer the following:

A. Please explain why a conservation cost recovery factor of \$0 dollars per therm is proposed for the TS4 (Indiantown Division) Rate Schedule for the January through December 2022 period.

FPUC RESPONSE:

The conservation cost recovery factor of \$0.00 per therm was proposed for the TS4 rate class based on the circumstance that the single account previously under this rate is no longer a customer. The meter was disconnected in December 2020 and ultimately removed on February 3, 2021 and the service abandoned. The Company does not anticipate any additional customers in this rate class through calendar year 2022 and therefore it did not project a cost recovery factor for that rate class.

Respondent Curtis D. Young

Interrogatory 5B

- B. Would all rate classes with proposed conservation cost recovery factors greater than \$0 dollars per therm for the January through December 2022 period effectively cross subsidize the TS4 (Indiantown Division) Rate Schedule in the event customer(s) began service under this rate schedule during this period.

FPUC RESPONSE:

No. As stated in the previous response, there are no longer any customers in the TS4 rate class and the Company considers it unlikely that customer(s) will be begin service during the January through December 2022 period. Therefore, an event that would necessitate cross subsidization by the other rate classes is improbable.

Respondent Curtis D. Young

Interrogatory 5C

- C. Have conservation cost recovery amounts ever been assigned to, or collected from, the TS4 (Indiantown Division) rate class? If so, please provide details such as timing, amount, programs, etc.

FPUC RESPONSE:

Yes, Indiantown Division customers were added to the Florida Public Utilities' billing system in approximately November 2011. Since then conservation cost recovery amounts were assigned and collected from the TS4 rate class.

Respondent Curtis D. Young

Interrogatory 5D

- D. Is it correct that no portion of the final true-up balance for the January-December 2020 period, and no portion of the actual/estimated true-up balance for the January-December 2021 period, was charged/credited to the TS4 (Indiantown Division) rate class? Please explain your response.

FPUC RESPONSE:

Yes, it is correct that no portion of the final true-up balance for the January – December 2020 period nor the actual/estimated true-up balance for the January-December 2021 period was charged/credited to the TS4 rate class. The previous customer in the TS4 rate class had not purchased gas or otherwise registered therm usage since June 2018.

Respondent Curtis D. Young

Interrogatory 5E

- E. Please describe the efforts the Company has planned, or has previously engaged in, to attract customers to take service under the TS4 rate class.

FPUC RESPONSE:

The Company has and continues to promote natural gas service to potential large customers in Indiantown through its participation with the Indiantown Chamber of Commerce, the Business Development Board and other local organizations focused on commercial business expansion. FPUC plans to continue its engagement with these organizations in order to promote the availability of natural gas service to potential customers who would qualify for the Company's TS4 rate class. Attractive land costs, as compared to neighboring Palm Beach County, and the availability of natural gas service on large lots has prompted inquiries in the past. Although those prospects eventually decided on other locations, or their projects were halted due to the COVID-19 pandemic, the Company believes that its service area will attract large commercial customers in the future.

Respondent Kira Lake

Interrogatory 5F

F. Which Commission-approved FPUC gas conservation program(s) would be available for participation by TS4 customers if such customers materialize in 2022?

FPUC RESPONSE:

The following commission-approved FPUC gas conservation programs would be available to TS4 customers based on the customer's industry type.

- Commercial Large Non-Food Service Program
- Commercial Large Food Service Program
- Commercial Large Hospitality Program
- Commercial Large Cleaning Service Program

In addition to this, a TS4 customer would also be eligible to participate in the Company's Space Conditioning, Commercial Conservation Survey and Conservation Education programs.

Respondent Kira Lake

Interrogatory 6A

Please refer to Schedule C-1, Page 2 of 3, of FPUC's August 6, 2021 filing in Docket No. 20210004-GU to answer the following questions.

6. Schedule C-1, Page 2 of 3, reflects that conservation cost recovery factor of \$0.01443 per therm is proposed for the FTS-NGV rate class in the January – December 2022 period. Please answer the following:

A. Have conservation cost recovery amounts ever been assigned to, or collected from, the FTS-NGV rate class? If so, please describe.

FPUC RESPONSE:

No, the Company had not previously assigned conservation cost recovery amounts to, nor collected from, the FTS-NGV rate class.

Respondent Curtis D. Young

Interrogatory 6B

- B. Please describe how the conservation cost recovery factor of \$0.01443 per therm that is proposed for the FTS-NGV rate class in the January – December 2022 period was developed.

FPUC RESPONSE:

The Company develops the conservation cost recovery factor of its consolidated natural gas divisions by first calculating the customer charges and energy charges for each of its active rate classes. These charges are then multiplied by the budgeted annual number of projected customers and therm volumes, respectively, to arrive at the base revenues for each active rate class. The projected amount of conservation costs to be recovered in the January – December 2022 is then allocated to each of the customer rate classes according to their apportionment of its base revenues to compute its ECCR revenues. Finally, the ECCR revenues for each rate class are divided by their corresponding therm volumes to arrive at the conservation rate factor per therm. This calculation is illustrated in Schedule C-1, Pages 1 of 3 and 2 of 3 of the Company's filing referenced above.

Respondent Curtis D. Young

Interrogatory 6C

- C. Is it correct that no portion of the final true-up balance for the January-December 2020 period, and no portion of the actual/estimated true-up balance for the January-December 2021 period, was charged/credited to the FTS-NGV rate class? Please explain your response.

FPUC RESPONSE:

Yes, it is correct that no portion of the final true-up balance for the January – December 2020 period nor the actual/estimated true-up balance for the January-December 2021 period was charged/credited to the FTS-NGV rate class. The customer currently in this rate class had not been charged a conservation rate factor previously in these time periods.

Respondent Curtis D. Young

Interrogatory 6D

- D. Please list the conservation program(s) FPUC projects customers receiving service under the FTS-NGV Rate Class will participate in during the period January through December 2022.

FPUC RESPONSE:

The Company projects that customers receiving service under the FTS-NGV rate class may participate in its Commercial Conservation Survey and Conservation Education programs.

Respondent Kira Lake