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FPUC's Responses to OPC's First Set of Interrogatories, Nos. 2-11, 13-17, 19-24, 26, 28, 30-51, 55-57, 61, 63, 65-66, 84-85, 98-102, 105, 106, 111-113, & 117-120

(Including Attachments)

Interrogatory No. 2

2. Please provide a list of each equity issuance by CPK during the past five years, including the number of shares issued, the offered price per share, the net proceeds per share, and the total flotation cost for each issuance.

Company Response:

Please refer to the attached file titled "OPC ROG 2 Five Year Equity Issuances".

Respondent: Noah Russell

Docket No. 20220067-GU

Interrogatory No. 3

3. Please state whether you agree with the statement that the Company should seek the lowest reasonable weighted average cost of capital. If not, please explain why not.

Company Response:

The Company should seek the lowest reasonable weighted average cost of capital, while also ensuring that it achieves its targeted capital structure. That means striving to achieve the lowest cost of debt in line with the life of the investments that are being made and utilizing equity over debt, which is slightly more expensive, when necessary to maintain an equity to total capitalization ratio that is within the target range. Furthermore, the Company should strive to achieve the lowest reasonable cost of capital that is consistent with: (i) its public service responsibilities, (ii) its ability to maintain a financial profile, including credit quality metrics, that will allow for the attraction of capital, (iii) consistent with maintaining adequate liquidity, and (iv) the conditions that are currently prevailing, or are expected to prevail, in the capital markets.

Respondent: Noah Russell

Interrogatory No. 4

4. Please provide FPUC's forecasted growth rates for the following factors over the longest period available, and provide the source for such forecasts, as well as the time period for such forecasts, and the source of the information:

   a. Total load;
   b. Total customers;
   c. Total revenue;
   d. Net income; and
   e. Rate base.

Company Response:

a. As described in the direct testimony of Company witness John Taylor (pages 5-7) Atrium Economics was retained to develop the total load forecast, customer bill forecast, and associated revenues for the 2022 and 2023 calendar years used for the rate case filing. Please refer to the file titled "OPC POD 21 JDT_Pro-Forma Rev and Other" provided in response to the production of documents 21. This file provides details on the method employed for each rate class as described on pages 7 and 8 of the direct testimony of the Company witness John Taylor. The results of this process are summarized in the minimum filing requirements on Schedule G2-6 and G2-7 for 2022-2023 and includes the revenues derived based on the forecasted load and customer count. Also refer the attached file "OPC ROG 4a Atrium Forecast".

b. Please refer to the response to subpart "a" of this interrogatory.

c. Total revenue projected for 2022 is $83,573,477 and for 2023 is $81,305,318 as shown on MFR Schedule G2 page 1 and is based on billing determinants developed by Atrium Economics using current rates.

d. Net income projected for 2022 is $11,242,072 and for 2023 is $5,311,354. It is based on the net operating income on MFR G2 page 1 less interest expense on MFR G2 page 27 and G2 page 30.

e. Projected 13-Month Average Rate Base for 2022 is $452,344,825 and for 2023 is $454,887,154. The projection is based on MFR schedule G1 page 1.

Respondent: John Taylor & Michelle Napier

Interrogatory No. 5

5. Please provide FPUC's and all divisions annual figures for the following items over the past 10 years and the source of such information:

   a. Total load;

   b. Total customers;

   c. Total revenue;

   d. Operating income;

   e. Net income; and

   f. Rate base.

Company Response:

Please refer to the attached files titled "OPC ROG 5a to e Annual Figures Past 10 Years" and OPC ROG 5f Rate Base".

Respondent: Michael Galtman and Michelle Napier

6. Please state any debt limits imposed by any of the Company's creditors and provide the original source for such debt limits.

Company Response:

All of the Company's Uncollateralized Senior Notes contain a restriction that CUC must maintain equity of at least 35.0 percent of total capitalization (including short-term borrowings). Failure to comply with this covenant could result in accelerated due dates and/or termination of the Senior Note agreements. CUC's $400,000,000 unsecured revolving credit facility financial covenants require a funded indebtedness ratio of no greater than 65 percent.

The details provided below contain the section within the Note Purchase Agreements and CUC's revolving credit facility that contain the equity to total capitalization restrictions.

<u>5.93% - 2008 Note Purchase Agreement Equity to Total Capitalization Covenant</u>

"*Section 4.6 Incurrence of Indebtedness.*

The Company will not, nor will it permit any of its Subsidiaries to, create, incur, assume, become liable for, or guaranty, or permit any of its Property to become subject to, any Funded Indebtedness (and in the case of a Subsidiary, Current Indebtedness) other than:

(i) Funded Indebtedness represented by the Notes and the outstanding Indebtedness set forth in <u>Schedule 4.6</u>;

(ii) Unsecured Funded Indebtedness of the Company, if after giving effect thereto and to any concurrent transactions, the aggregate principal amount of outstanding secured and unsecured Funded Indebtedness of the Company and secured and unsecured Current and Funded Indebtedness of the Subsidiaries (excluding Indebtedness owed by a Subsidiary to the Company or a Wholly-Owned Subsidiary) does not exceed 65% of Total Capitalization;

<u>5.68 & 6.43% - 2010 S Note Purchase Agreement Equity to Total Capitalization Covenant</u>

Section 4.6 Incurrence of Indebtedness.

The Company will not, nor will it permit any of its Subsidiaries to, create, incur, assume, become liable for, or guaranty, or permit any of its Property to become subject to, any Funded Indebtedness (and in the case of a Subsidiary, Current Indebtedness) other than:

(i) Funded Indebtedness represented by the Notes and the outstanding Indebtedness set forth in <u>Schedule 4.6</u>;

(ii) Unsecured Funded Indebtedness of the Company, if after giving effect thereto and to any concurrent transactions, the aggregate principal amount of outstanding secured and unsecured Funded Indebtedness of the Company and secured and unsecured Current and Funded Indebtedness of the Subsidiaries (excluding Indebtedness owed by a Subsidiary to the Company or a Wholly-Owned Subsidiary) does not exceed 65% of Total Capitalization; and

<u>3.73% & 3.88% - 2015 Note Purchase Agreement Equity to Total Capitalization Covenant</u>

Section 10.3 Limitations on Indebtedness.

(a) The Company will not, as of the last day of each fiscal quarter of the Company, permit the aggregate principal amount of all outstanding secured and unsecured Funded Indebtedness of the Company and secured and unsecured Current and Funded Indebtedness of Subsidiaries (excluding Indebtedness owed by a Subsidiary to the Company or a Wholly-Owned Subsidiary) to exceed 65% of Total Capitalization.

<u>3.98%, 3.25% & 3.00% - 2015 Shelf Agreement Equity to Total Capitalization Covenant</u>

Section 10.3 Limitations on Indebtedness.

(a) The Company will not, as of the last day of each fiscal quarter of the Company, permit the aggregate principal amount of all outstanding secured and unsecured Funded Indebtedness of the Company and secured and unsecured Current and Funded Indebtedness of Subsidiaries (excluding Indebtedness owed by a Subsidiary to the Company or a Wholly-Owned Subsidiary) to exceed 65% of Total Capitalization.

<u>3.48%, 3.58% & 2.96% - 2017 Note Purchase Agreement Equity to Total Capitalization Covenant</u>

Section 10.3 Limitations on Indebtedness.

(a) The Company will not, as of the last day of each fiscal quarter of the Company, permit the aggregate principal amount of all outstanding secured and

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unsecured Funded Indebtedness of the Company and secured and unsecured Current and Funded Indebtedness of Subsidiaries (excluding Indebtedness owed by a Subsidiary to the Company or a Wholly-Owned Subsidiary) to exceed 65% of Total Capitalization.

2.98% - 2019 Note Purchase Agreement Equity to Total Capitalization Covenant

Section 10.3 Limitations on Indebtedness.

(a) The Company will not, as of the last day of each fiscal quarter of the Company, permit the aggregate principal amount of all outstanding secured and unsecured Funded Indebtedness of the Company and secured and unsecured Current and Funded Indebtedness of Subsidiaries (excluding Indebtedness owed by a Subsidiary to the Company or a Wholly-Owned Subsidiary) to exceed 65% of Total Capitalization.

2.49% - 2021 Note Purchase Agreement Equity to Total Capitalization Covenant

Section 10.3 Limitations on Indebtedness.

(a) The Company will not, as of the last day of each fiscal quarter of the Company, permit the aggregate principal amount of all outstanding secured and unsecured Funded Indebtedness of the Company and secured and unsecured Current and Funded Indebtedness of Subsidiaries (excluding Indebtedness owed by a Subsidiary to the Company or a Wholly-Owned Subsidiary) to exceed 65% of Total Capitalization.

$400,000,000 Unsecured Revolving Credit Facility Equity to Total Capitalization Covenant

9.8 Maximum Funded Indebtedness to Total Adjusted Capitalization Ratio. Will not, as of the last day of each fiscal quarter of the Borrower, permit the Funded Indebtedness to Total Adjusted Capitalization Ratio to exceed 0.65:1.00.

Respondent: Noah Russell

Interrogatory No. 7

7. Please provide the following financial information for FPUC and all divisions and CPK for the most recent annual reporting period:

a. Earnings before interest and taxes;

b. Interest expense;

c. Amount of book debt capital;

d. Amount of book equity capital; and

e. Cost of debt.

Company Response: Please refer to the table below:

	FPUC	FT	IN	CFG	CPK
Earnings before interest and taxes (TME 12/31/21)	15,847,700	18,325	-126,684	6,041,522	132,832,450
Interest expense after interest synch (TME 12/31/2021)	3,913,728	12,688	21,579	1,346,044	20,134,738
Amount of book debt capital	Debt is held at CPK.	Debt is held at CPK.	Debt is held at CPK.	Debt is held at CPK.	567,865,465 (LTD) 221,633,573 (STD)
Amount of book equity capital (as of 12/31/2021) Does not include AP Affiliate Co.	161,743,890	-393,261	-389,398	61,991,708	774,130,541
Cost of debt. (weighted 13 month average 12/31/2021)	Allocated cost rate of LTD and STD from CPK used in cost of capital calculation.	Allocated cost rate of LTD and STD from CPK used in cost of capital calculation.	Allocated cost rate of LTD and STD from CPK used in cost of capital calculation.	Allocated cost rate of LTD and STD from CPK used in cost of capital calculation.	1.42% (STD) 3.60% (LTD)

Respondent: Michelle Napier

Interrogatory No. 8

8. Please state whether it is Mr. Moul's opinion that the Company is less risky than the average firm in the market portfolio? If yes, please explain why.

Company Response:

The systematic risk, as measured by beta, are fairly similar for the Gas Group and the S&P Public Utilities, used to measure the industry as a whole. On page 18 of Mr. Moul's direct testimony, he compared the Chesapeake's non-leveraged beta of 0.80 and the Gas Group's non-leveraged beta of .86 to the S&P Public Utilities' beta of 0.90. These betas published by Value Line are fairly similar to each other, but less than the market portfolio beta of 1.00.

Respondent: Paul Moul

Interrogatory No. 9

9. Please provide Mr. Moul's opinion regarding the long-term growth rate of the U.S. economy (as measured in GDP)?

Company Response:

Generally speaking, that growth rate would be in the 4% to 6% range.

Respondent: Paul Moul

Interrogatory No. 10

10. Please state whether it is Mr. Moul's opinion that the cost of equity of the Company is higher than the required return on the market portfolio? If yes, please explain why.

Company Response:

In the context of the CAPM, yes. The CAPM result shown on page 2 of Schedule 1 of Exhibit PRM-1 is 14.41% that includes both the leverage adjustment and the size adjustment. The implied total market return is 12.98% (2.75% + 10.23%) as shown on this schedule.

Respondent: Paul Moul

11. Please provide a schedule in Excel format showing how the proposed cost of long-term debt and short-term debt was calculated.

Company Response: The Company objects to this request to the extent that it would require the Company to produce a document in a specific format that does not exisit. Notwithstanding and without waiving this objection, please refer to the attached file "OPC ROG 11 Debt and Equity Estimates + Expenses.xlsx".

Respondent: Noah Russell

13. Please provide all remaining life calculations in Excel format.

Company Response:

The Company objects to this request to the extent that it would require the Company to produce a document in a specific format that does not exisit. Notwithstanding and without waiving this objection, the Company states that this is a manual calculation using Iowa Curve Life Projection tables obtained from GTE-INC. The remaining life expectancies for each account were determined using the same approach used by FPSC staff over the past 20+ years. The proposed average service life (projection life) and 12/31/2022 average age for each account were used with the selected Iowa curve life table to determine the average remaining life.

For example, an account with a life of 30 years following an S3 retirement dispersion would, at age 9.5 years, have an average remaining life of 20.52 years, rounded to 21 years. For accounts where the average age is not found in the life table, the remaining life is determined by extrapolation. To illustrate, using the same service life and curve shape, at age 9.7 years, the average remaining life is 20.3 years, rounded to 20 years.

Projection Life 30	
Age	Remaining Life
9.5	20.52
9.7	*X*
10.5	19.54

$$(9.7\text{-}9.5)/(10.5\text{-}9.5) = (X\text{-}20.52)/(19.54\text{-}20.52)$$
$$0.2/1 = (X)\text{-}20.52)/\text{-}0.982$$
$$X\text{-}20.52 = \text{-}0.1964$$
$$X = 20.52 - 0.1964$$
$$X = 20.324 \text{ rounded to 20 years}$$

This calculation is shown in Ms. Lee's testimony, pages 20 and 21. See also Exhibit PSL-3 attached to Ms. Lee's testimony and OPC POD 18 External Sources.

Respondent: Pat Lee

14. Please provide the average age of survivors as of the study date for each production plant by account.

Company Response:

The Company does not generate power.

Respondent: Pat Lee

15. Please provide the book reserve (accumulated depreciation) balances for each account as of the depreciation study date.

Company Response:

The estimated January 1, 2023, book reserve balance for each account is shown on Schedules A-E in the workbook provided in response to OPC POD 6 Item 1. Exhibit PSL-2, the 2023 FPUC Gas Depreciation Study Workbook.

Respondent: Pat Lee

16. Please identify and describe any changes in the depreciation system / methodology between the previous depreciation study and the depreciation study filed in this case.

Company Response:

There have been no changes in the depreciation system/methodology between the previous depreciation study and the instant depreciation study.

Respondent: Pat Lee

Interrogatory No. 17

17. Please identify all plant tours taken in relation to the depreciation study. For each such tour:

   a. Identify those in attendance and their titles and job descriptions.

   b. Provide all conversation notes taken during the tour.

   c. Provide all photographs and images taken during the tour.

   d. Provide all written materials obtained during the tour.

Company Response:

No plant tours were conducted for the depreciation study.

Respondent: Pat Lee

Interrogatory No. 19

19. For all notes taken during any meetings with Company personnel regarding the depreciation study, please identify by name and title, all Company personnel who provided the information, and explain the extent of their participation and the information they provided. Please explain how this information affected the depreciation study.

Company Response:

There are no responsive documents and no notes or personnel to identify.

Respondent: Pat Lee

20. Please identify all external sources relied upon in conducting the depreciation study, including industry surveys, statistics, and reports.

Company Response:

Please see response to OPC POD 18 External Sources.

Respondent: Pat Lee

Interrogatory No. 21

21. Please identify the Company's accounting policies and procedures for plant retirements and cost of removal.

Company Response:

Please refer to the response to OPC's Production of Document request 15.

Respondent: Michael Galtman

Interrogatory No. 22

22. Please identify the Company's programs and plans that might substantially affect the remaining lives of any plant assets.

Company Response:

The Company objects to the extent that the term "substantially" is undefined and ambiguous. Notwithstanding and without waiving this objection, the Company is near completion of a Gas Reliability Infrastructure Program ("GRIP") to facilitate replacement of higher risk facility segments on an expedited basis. GRIP was approved by Order No. PSC-12-0490-TRF-GU, issued on September 24, 2012, and is scheduled to terminate at the end of this year. It has been included in the current depreciation study filed. As the Company progressed on various GRIP projects, we have found that there are additional safety and access related activities that need to be addressed and could serve as the basis for Phase 2, of the GRIP. The key issues we have identified are associated with additional problematic mains and services, as well as facilities located in the rear lot easements.

As stated in the testimony of Jason Bennett, the Plan for Phase 2 is still in development, and the Company anticipates filing a separate petition to request Commission approval of Phase 2.

At this time, we are not aware of any projects not already included in the depreciation study that will substantially impact the average service lives of plant assets.

Respondent: Jason Bennett & Pat Lee

Interrogatory No. 23

23. Regarding the placement and experience bands chosen for the analysis of each account, please explain why such bands were chosen and if any other bands were considered for conducting depreciation analysis.

Company Response:

There were no placement and experience bands used in the analysis of each account. The analysis consisted of reviewing the recent retirement rates for each account and the lives of other gas companies in the State. The Study used the same approach as each of the FPUC depreciation studies submitted for the past 20+ years.

Respondent: Pat Lee

Interrogatory No. 24

24. Please provide the updated plant balances to which the approved depreciation rates in this case will be applied.

Company Response:

FPUC has requested a January 1, 2023, implementation date for revised depreciation rates and amortization schedules. The plant balances matching this date are shown on Exhibit PSL-2 attached to Ms. Lee's direct testimony. See OPC POD 6 Item 1. Exhibit PSL-2, the 2023 Gas Depreciation Study Workbook. Plant balances for the 2023 projected test year are provided in MFR G-1 schedules, bates-stamped pages 1557 and 1558. The depreciation rates shown in MFR G-1, bates-stamped page 1560 indicate the depreciation rates as proposed by Ms. Lee that have been applied to the 2023 monthly plant balances.

Respondent: Pat Lee

Interrogatory No. 26

26. Customer Deposits. For FPUC, please provide the monthly dollar amounts of customer deposits for 2016, 2017, 2018, 2019, 2020, 2021 and 2022 to date. Also list the projected monthly amounts for the remainder of 2022 and for 2023.

Company Response:

Please refer to the attachment titled "OPC ROG 26-Monthly Customer Deposit Amounts".

Respondent: Michael Galtman

Interrogatory No. 28

28. Accumulated Deferred Income Taxes (ADIT). For FPUC, please provide a detailed itemization of each component of the ADIT as of 12/31/2017, 12/31/2018, 12/31/2019, 12/31/2020, 12/31/2021 and 2022 to date. For each item, identify the book/tax-timing difference that causes the ADIT, explain when that temporary timing difference first arose, identify the amount of the timing difference as of each date, and describe in detail whether and how that particular timing difference relates to an item of utility rate base, utility revenue and/or utility expense, and how the related item has been reflected in the Company's filing for ratemaking purposes.

Company Response:

The detailed itemization of each component of ADIT for the Company, the book/tax timing difference that caused the ADIT and the time when the ADIT started can be found in the attached file "OPC ROG 28".

The relationship for each item as it relates to an item of utility rate base, utility revenue and/or utility expense, and how the related item has been reflected in the Company's filing for ratemaking purposes is as follows:

Bad debt expense is a component of NOI and the reserve is a component of working capital. Conservation, Environmental, Amortization, Flex Revenue, and Deferred Revenue are not in the rate case. GRIP is a component of revenue. Leases are included in working capital and expense. Capitalized overhead is included in rate base. Pension, post-retirement, and SERP are included in expense and part of working capital. Depreciation (as well as AFUDC, repairs and state decoupling) is in rate base and expense in NOI. Rate case is included in working capital as well as in projected 2023 expenses. Self-insurance is included in working capital and expense. Tax rate change relates to the regulatory liability set up due to the TCJA which is included in cost of capital.

Respondent: Michael Galtman

30. Payroll. Please provide the following monthly labor data for any payroll dollars charged by, or allocated to, FPUC for 2016, 2017, 2018, 2019, 2020, 2021 and 2022 to date, showing annual totals with the grand total equaling payroll for the year. Also list the projected monthly amounts for the remainder of 2022 and for 2023.

a. Number of actual employees broken down between type (e.g. salaried, hourly, union, non- union, temporary, etc.).

b. Number of authorized (budgeted) employees broken down between type (e.g. salaried, hourly, union, non-union, temporary, etc.).

c. Regular payroll broken down between expensed, capitalized, amount charged to lobbying and other (includes all other, other than O&M, capital and lobbying).

d. Overtime payroll broken down between expensed, capitalized, and other (includes all other, other than O&M and capital).

e. Temporary payroll included in Part C and D broken down between expensed, capitalized and other; and

f. Other payroll broken down between expensed, capitalized and other (specify).

Company Response:

Projected 2022 and 2023 are based on the assumption that the same level of payroll that was capitalized in 2021 would continue in the projected years and those costs were included in the projected cost of plant additions planned for 2022 and 2023.

a. All employees shown as Hourly or Salaried are non-Union. All Union employees are Hourly. Temps are not paid through payroll and are not included in these headcount numbers.

Interrogatory No. 30a, cont.

2022 Calculated FPUC Headcount

Employee Type	Jan	Feb	Mar	Apr
Hourly	68.48	69.90	73.75	75.35
Salaried	95.02	97.51	99.83	98.41
Union	56.13	56.01	53.25	54.24
Grand Total	219.63	223.41	226.83	228.01

2021 Calculated FPUC Headcount

Employee Type	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Hourly	64.02	63.89	68.07	67.62	69.66	66.40	69.66	69.74	70.35	68.27	68.34	69.94
Salaried	95.07	95.09	95.52	96.67	91.52	90.13	94.67	86.35	88.46	89.74	91.31	95.87
Union	57.44	58.64	58.88	57.98	57.62	55.98	55.23	55.73	56.29	55.50	54.83	56.02
Grand Total	216.52	217.63	222.47	222.26	218.80	212.51	219.55	211.81	215.10	213.51	214.48	221.83

2020 Calculated FPUC Headcount

Employee Type	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Hourly	63.25	62.77	63.25	62.44	63.87	62.19	63.45	65.38	63.36	64.25	63.02	64.91
Salaried	91.24	92.74	91.01	87.83	89.30	88.14	89.94	91.20	91.66	90.84	88.73	91.68
Union	57.70	58.51	60.11	58.51	60.27	57.78	58.19	57.00	55.98	55.12	56.15	55.30
Grand Total	212.19	214.02	214.36	208.78	213.44	208.11	211.57	213.58	211.01	210.22	207.90	211.89

2019 Calculated FPUC Headcount

Employee Type	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Hourly	66.59	66.35	71.01	66.29	68.53	68.56	64.01	65.26	64.48	65.29	63.93	64.18
Salaried	89.30	90.98	102.48	92.87	92.99	92.10	89.68	88.25	89.30	99.65	91.59	91.22
Union	62.64	60.30	59.00	58.78	58.72	58.18	55.99	58.63	58.14	58.05	57.55	57.45
Grand Total	218.52	217.63	232.48	217.94	220.24	218.84	209.67	212.14	211.91	222.99	213.06	212.85

2018 Calculated FPUC Headcount

Employee Type	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Hourly	68.63	68.57	69.73	69.90	69.88	68.20	70.26	70.18	67.36	67.34	66.14	68.09
Salaried	91.23	87.13	88.69	87.58	88.74	89.32	90.32	91.36	89.70	88.74	88.17	86.07
Union	59.72	57.17	57.34	57.29	58.53	59.00	58.07	57.19	58.04	56.82	54.90	57.06
Grand Total	219.58	212.88	215.76	214.76	217.15	216.51	218.66	218.73	215.10	212.89	209.22	211.21

2017 Calculated FPUC Headcount

Employee Type	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Hourly	69.47	70.33	68.85	68.61	68.43	66.65	69.58	69.05	68.34	66.48	66.97	68.50
Salaried	92.98	96.38	96.70	95.15	93.22	93.25	93.96	93.56	91.71	94.01	93.60	94.08
Union	58.31	58.13	57.84	59.95	59.31	59.52	56.90	61.14	59.75	62.46	59.29	59.68
Grand Total	220.76	224.84	223.39	223.71	220.96	219.43	220.43	223.75	219.80	222.96	219.85	222.26

2016 Calculated FPUC Headcount

Employee Type	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Hourly	66.29	69.12	66.35	65.89	65.82	69.70	69.74	70.47	69.74	70.21	69.72	68.75
Salaried	84.88	87.75	87.57	85.95	87.84	87.78	88.33	89.57	91.03	92.74	91.06	91.92
Union	53.14	53.35	54.61	55.30	55.03	53.67	57.23	57.05	58.94	58.23	57.73	55.81
Grand Total	204.31	210.22	208.54	207.13	208.69	211.15	215.30	217.09	219.72	221.18	218.51	216.49

Respondent: Michael Galtman

Interrogatory No. 30b

b. 2022 and 2023 Projected Calculated FPUC Headcount is O&M headcount only.

Company Response:

2023 Projected Calculated FPUC Headcount

Budgeted Headcount Type	January	February	March	April	May	June	July	August	September	October	November	December
Hourly	75.80	75.80	75.80	75.80	75.80	75.80	75.80	75.80	75.80	75.80	75.80	75.80
Salaried	104.80	104.80	104.80	104.80	104.80	104.80	104.80	104.80	104.80	104.80	104.80	104.80
Union	57.72	57.72	57.72	59.42	59.42	59.42	59.42	59.42	59.42	59.42	59.42	59.42
Grand Total	238.32	238.32	238.32	240.02	240.02	240.02	240.02	240.02	240.02	240.02	240.02	240.02

2022 Projected Calculated FPUC Headcount

Budgeted Headcount Type	January	February	March	April	May	June	July	August	September	October	November	December
Hourly	69.94	69.94	72.05	72.76	74.24	74.24	75.02	75.80	75.80	75.80	75.80	75.80
Salaried	97.79	97.79	99.85	100.54	100.73	102.42	103.60	104.40	104.62	104.62	104.62	104.62
Union	56.02	56.02	56.89	57.72	57.72	57.72	57.72	57.72	57.72	57.72	57.72	57.72
Grand Total	223.74	223.74	228.79	231.02	232.70	234.39	236.34	237.92	238.14	238.14	238.14	238.14

2016-2021 Budgeted Headcount - Our budget process includes headcount by employee however the distinction between salary, hourly or union is not included in the budget process. Note this is O&M headcount only.

2021 Budgeted Calculated FPUC Headcount

	January	February	March	April	May	June	July	August	September	October	November	December
Grand Total	170.36	170.36	170.36	170.23	170.63	170.63	172.36	172.36	172.36	172.09	172.09	172.09

2020 Budgeted Calculated FPUC Headcount

	January	February	March	April	May	June	July	August	September	October	November	December
Grand Total	167.45	167.45	167.45	166.72	167.07	167.07	166.45	164.95	164.95	163.61	163.61	163.61

2019 Budgeted Calculated FPUC Headcount

	January	February	March	April	May	June	July	August	September	October	November	December
Grand Total	163.52	165.82	166.73	167.08	167.08	169.42	170.01	170.01	170.01	169.43	169.24	169.24

2018 Budgeted Calculated FPUC Headcount

	January	February	March	April	May	June	July	August	September	October	November	December
Grand Total	168.81	168.48	168.84	170.24	170.24	170.49	170.49	170.49	170.56	170.56	170.56	170.56

2017 Budgeted Calculated FPUC Headcount

	January	February	March	April	May	June	July	August	September	October	November	December
Grand Total	163.62	164.32	164.32	166.48	166.47	167.51	169.99	169.99	170.23	171.31	171.31	171.57

2016 Budgeted Calculated FPUC Headcount

	January	February	March	April	May	June	July	August	September	October	November	December
Grand Total	160.00	160.00	160.00	162.31	162.75	163.17	164.87	164.87	164.45	164.98	165.41	165.41

Respondent: Michael Galtman

Interrogatory No. 30c

c. Please refer to tab C in the attached file titled "OPC ROG 30 c thru f Payroll Dollars".

- Expensed amounts are charged to either O&M or to Conservation (in Gross Margin)
- Amounts charged to the sub-ledger are either Capitalized or are charged to other balance sheet accounts. Descriptions have been provided.

Company Response:

Temporary Services are not paid through our HRIS system. They are paid through Accounts Payable.

Other includes Bonus & Incentive Pay, Commissions, Signing Bonuses and Severance. (See following page)

Interrogatory No. 30c, cont.

2022 Calculated FPUC Headcount

Employee Type	Jan	Feb	Mar	Apr
Hourly	68.48	69.90	73.75	75.35
Salaried	95.02	97.51	99.83	98.41
Union	56.13	56.01	53.25	54.24
Grand Total	219.63	223.41	226.83	228.01

2021 Calculated FPUC Headcount

Employee Type	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Hourly	64.02	63.89	68.07	67.62	69.66	66.40	69.66	69.74	70.35	68.27	68.34	69.94
Salaried	95.07	95.09	95.52	96.67	91.52	90.13	94.67	86.35	88.46	89.74	91.31	95.87
Union	57.44	58.64	58.88	57.98	57.62	55.98	55.23	55.73	56.29	55.50	54.83	56.02
Grand Total	216.52	217.63	222.47	222.26	218.80	212.51	219.55	211.81	215.10	213.51	214.48	221.83

2020 Calculated FPUC Headcount

Employee Type	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Hourly	63.25	62.77	63.25	62.44	63.87	62.19	63.45	65.38	63.36	64.25	63.02	64.91
Salaried	91.24	92.74	91.01	87.83	89.30	88.14	89.94	91.20	91.66	90.84	88.73	91.68
Union	57.70	58.51	60.11	58.51	60.27	57.78	58.19	57.00	55.98	55.12	56.15	55.30
Grand Total	212.19	214.02	214.36	208.78	213.44	208.11	211.57	213.58	211.01	210.22	207.90	211.89

2019 Calculated FPUC Headcount

Employee Type	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Hourly	66.59	66.35	71.01	66.29	68.53	68.56	64.01	65.26	64.48	65.29	63.93	64.18
Salaried	89.30	90.98	102.48	92.87	92.99	92.10	89.68	88.25	89.30	99.65	91.59	91.22
Union	62.64	60.30	59.00	58.78	58.72	58.18	55.99	58.63	58.14	58.05	57.55	57.45
Grand Total	218.52	217.63	232.48	217.94	220.24	218.84	209.67	212.14	211.91	222.99	213.06	212.85

2018 Calculated FPUC Headcount

Employee Type	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Hourly	68.63	68.57	69.73	69.90	69.88	68.20	70.26	70.18	67.36	67.34	66.14	68.09
Salaried	91.23	87.13	88.69	87.58	88.74	89.32	90.32	91.36	89.70	88.74	88.17	86.07
Union	59.72	57.17	57.34	57.29	58.53	59.00	58.07	57.19	58.04	56.82	54.90	57.06
Grand Total	219.58	212.88	215.76	214.76	217.15	216.51	218.66	218.73	215.10	212.89	209.22	211.21

2017 Calculated FPUC Headcount

Employee Type	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Hourly	69.47	70.33	68.85	68.61	68.43	66.65	69.58	69.05	68.34	66.48	66.97	68.50
Salaried	92.98	96.38	96.70	95.15	93.22	93.25	93.96	93.56	91.71	94.01	93.60	94.08
Union	58.31	58.13	57.84	59.95	59.31	59.52	56.90	61.14	59.75	62.46	59.29	59.68
Grand Total	220.76	224.84	223.39	223.71	220.96	219.43	220.43	223.75	219.80	222.96	219.85	222.26

2016 Calculated FPUC Headcount

Employee Type	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Hourly	66.29	69.12	66.35	65.89	65.82	69.70	69.74	70.47	69.74	70.21	69.72	68.75
Salaried	84.88	87.75	87.57	85.95	87.84	87.78	88.33	89.57	91.03	92.74	91.06	91.92
Union	53.14	53.35	54.61	55.30	55.03	53.67	57.23	57.05	58.94	58.23	57.73	55.81
Grand Total	204.31	210.22	208.54	207.13	208.69	211.15	215.30	217.09	219.72	221.18	218.51	216.49

Respondent: Michael Galtman

Interrogatory No. 30d

d. Please refer to tab D in the attached file titled “OPC ROG 30 c thru f Payroll Dollars”.

- Expensed amounts are charged to either O&M or to Conservation (in Gross Margin)
- Amounts charged to the sub-ledger are either Capitalized or are charged to other balance sheet accounts. Descriptions have been provided.

Company Response: Temporary Services are not paid through our HRIS system. They are paid through Accounts Payable.

Other includes Bonus & Incentive Pay, Commissions, Signing Bonuses and Severance.

Respondent: Michael Galtman

Interrogatory No. 30e

e. Please refer to tab E in the attached file titled "OPC ROG 30 c thru f Payroll Dollars".

- Expensed amounts are charged to either O&M or to Conservation (in Gross Margin)
- Amounts charged to the sub-ledger are either Capitalized or are charged to other balance sheet accounts. Descriptions have been provided.

Company Response: Temporary Services are not paid through our HRIS system. They are paid through Accounts Payable.

Other includes Bonus & Incentive Pay, Commissions, Signing Bonuses and Severance.

Respondent: Michael Galtman

Interrogatory No. 30f

f. Please refer to tab F in the attached file titled "OPC ROG 30 c thru f Payroll Dollars".

- Expensed amounts are charged to either O&M or to Conservation (in Gross Margin)
- Amounts charged to the sub-ledger are either Capitalized or are charged to other balance sheet accounts. Descriptions have been provided.

Company Response: Temporary Services are not paid through our HRIS system. They are paid through Accounts Payable.

Other includes Bonus & Incentive Pay, Commissions, Signing Bonuses and Severance.

Respondent: Michael Galtman

Interrogatory No. 31

31. Payroll. Please provide the following monthly labor data for any payroll dollars charged by, or allocated to, FPUC for 2016, 2017, 2018, 2019, 2020, 2021 and 2022 to date, showing annual totals with the grand total equaling payroll for the year. Also list the projected monthly amounts for the remainder of 2022 and for 2023.

a. Number of actual employees broken down between type (e.g. salaried, hourly, union, non- union, temporary, etc.).

b. Number of authorized (budgeted) employees broken down between type (e.g. salaried, hourly, union, non-union, temporary, etc.).

c. Regular payroll broken down between expensed, capitalized, amount charged to lobbying and other (includes all other, other than O&M, capital and lobbying).

d. Overtime payroll broken down between expensed, capitalized, and other (includes all other, other than O&M and capital).

e. Temporary payroll included in Part C and D broken down between expensed, capitalized and other; and

f. Other payroll broken down between expensed, capitalized and other (specify).

Company Response:

Please refer to the responses to Office of Public Counsel's Interrogatory 30 a thru f.

Respondent: Michael Galtman

Interrogatory No. 32a-c

32. Payroll. Please provide the following data for any payroll dollars charged by, or allocated to, FPUC for each year 2016 through 2021 and 2022 to date. Also list the projected monthly amounts for the remainder of 2022 and for 2023.

a. The average number of employees broken down between type (e.g., salaried, hourly, union, non-union, temporary, etc.).

b. The average number of authorized employees broken down between type (e.g., salaried, hourly, union, non-union, temporary, etc.).

Company Response:

a. All employees shown as Hourly or Salaried are non-Union. All Union employees are Hourly. Temps are not paid through payroll and are not included in these headcount numbers. Average FPUC headcount is below. For projected monthly amounts for the remainder of 2022 and 2023 reference OPC ROG 30b.

Average FPUC Headcount

Employee Type	2016	2017	2018	2019	2020	2021	April YTD 2022	Projected 2022	Projected 2023
Hourly	68.48	68.44	68.69	66.21	63.51	67.99	71.87	73.93	75.80
Salaried	88.87	94.05	88.92	92.53	90.36	92.53	97.69	102.13	104.80
Union	55.84	59.36	57.59	58.62	57.55	56.68	54.91	57.37	59.00
Grand Total	213.19	221.84	215.20	217.36	211.42	217.21	224.47	233.43	239.60

b. The average budgeted FPUC headcount for payroll dollars recognized through O&M expense detailed below. The budget process does not include specifics detailing union, non-union and temporary employees.

c.

Average Budgeted FPUC Headcount	
2021	171.33
2020	165.86
2019	168.14
2018	170.03
2017	168.09
2016	163.19

Respondent: Michael Galtman

33. Payroll. Please provide the following data for any payroll dollars charged by, or allocated to, FPUC for each year 2016 through 2020 2021 and 2022 to date:

   a. Regular payroll broken down between expensed, capitalized, and other.
   b. Overtime payroll broken down between expensed, capitalized, and other.
   c. Temporary payroll broken down between expensed, capitalized, and other.
   d. Other payroll (specify).

Company Response:

a. Please refer to the response to the Office of Public Counsel's Interrogatory 30c.

b. Please refer to the response to the Office of Public Counsel's Interrogatory 30d.

c. Please refer to the response to the Office of Public Counsel's Interrogatory 30e.

d. Please refer to the response to the Office of Public Counsel's Interrogatory 30f.

Respondent: Michael Galtman

34. Payroll. Please provide the following data for any payroll dollars charged by, or allocated to, FPUC for each year 2016 through 2021 and 2022 to date. Also list the projected monthly amounts for the remainder of 2022 and for 2023.

    a. Regular payroll broken down between expensed, capitalized, and other.

    b. Overtime payroll broken down between expensed, capitalized, and other.

    c. Temporary payroll broken down between expensed, capitalized, and other.

    d. Other payroll (specify).

Company Response:

a. Please refer to the response to the Office of Public Counsel's Interrogatory 30c.

b. Please refer to the response to the Office of Public Counsel's Interrogatory 30d.

c. Please refer to the response to the Office of Public Counsel's Interrogatory 30e.

d. Please refer to the response to the Office of Public Counsel's Interrogatory 30f.

Respondent: Michael Galtman

35. Payroll. For FPUC, please provide the average number of total, and if different, jurisdictional employees for each year 2016 through 2020 and 2022 to date. Also list the projected monthly amounts for the remainder of 2022 and for 2023.

Company Response:

Jurisdictional is not different. Please refer to the response to the Office of Public Counsel's Interrogatory 30a.

Respondent: Michael Galtman

Interrogatory No. 36

36. Payroll. Please provide the wage rate increases granted by FPUC by date and employee category for the period 2016 through 2021, for 2022 to date and as projected for the remainder of 2022 and for the year 2023.

Company Response:

There is no one specific date for increases across the organization. Changes in salaries occurred throughout each year for merit, job progression and promotions. At one time, annual raises were given in April to employees above a Director level and in September for those below. In 2021, annual raises were all given in April. However, since increases happened throughout the year, the following chart was based on the difference between the annualized salaries prior to the increase compared to the annualized salaries after the increase.

Please refer to the attached file "OPC ROG 36".

Respondent: Devon Rudloff

Interrogatory No. 37

37. Payroll. Please indicate if the employee positions that are reflected in FPUC's labor calculations in the filing are authorized or actually filled positions for the year rates will be in effect.

Company Response:

All positions included in the FPUC's labor calculations are authorized positions and expected to be filled for the year the rates will be in effect. By December 31, 2023, there are expected to be 493 employee positions who charge time or are allocated to Florida natural gas operations.

Respondent: Michael Galtman

Interrogatory No. 38

38. Incentive Compensation. Please provide a detailed list of responsibilities and duties that eligible incentive compensation employees of FPUC must have or perform in addition to those necessary to meet the standards for base salary compensation in order to receive incentive compensation.

Company Response:

Please refer to the following attachments that describe the plan and the standards. For 2019-2020, there were specific plans for FPUC employees. For 2021, an enterprise wide plan was used.

OPC ROG 38 2019-20 FPU IPP PLAN
OPC ROG 38 2021 IPP PLAN

Employees are reviewed by their respective managers which includes meeting goals and merit based performance. A large portion of the incentive or additional compensation is based on their annual performance as well as achievement of safety and customer service related goals. Incentive pay is considered an extension of employee's respective compensation and is tied to achievements that benefit our customers and the safe and customer centric operation of our business.

Respondent: Devon Rudloff

Interrogatory No. 39

39. Incentive Compensation. Please explain how FPUC determine that the achievement of any incentive compensation goals are reached as a result of the current incentive compensation plan(s), as opposed to other reasons. Provide all supporting empirical data.

Company Response:

Please refer to the response to OPC interrogatory 38.

Respondent: Devon Rudloff

40. Incentive Compensation. Please provide the number of FPUC employees that were eligible to receive incentive compensation for each year 2016 through 2021, and for each year indicate how many did not or will not receive an award?

Company Response:

Please refer to the table below:

FPUC NATURAL GAS			
Year	Number of Eligible Employees	Number of Employees who received Award	Number of Employees who DID NOT receive Award
2016	205	203	2
2017	204	199	5
2018	220	218	2
2019	204	203	1
2020	198	194	4
2021	199	198	1

Respondent: Devon Rudloff

Interrogatory No. 41

41. Incentive Compensation. Please provide for each year 2016 through 2021 a detailed summary of the corporate and/or group goals (i.e., threshold, target, maximum) for the incentive compensation plans of FPUC and the actual achievement metric attained within each respective period for each division.

Company Response:

The following charts relate to all Florida divisions.

2016	EBIT		ROE	Investment Growth		Individual Goals	Business Unit Goals			Corporate (EPS)	
Actual ➔	70.41%	$31,056,645	8.28%	22.58%	$355,502,558		13	47	359	2.94	100%
				2015 YE	$290,009,698		Safety Preventable Accidents	Customer Centric Net Promoter Score	Customer Growth Qualified Lead		
Payouts			7.37%								
0% of Base	<90%	<$29,709,254	<9.00	<8%	<$313,210,474	<2.75	>=25	<33	<325	<2.63	0%
50% of Base	90%	$29,709,254	9.00	8%	$313,210,474	2.75-2.99				2.63	50%
51%-99% of Base	90.1% - 99.9%	$29,709,255 - $33,010,281	9.01-10.36	8.1% - 9.9%	$313,210,475 - $319,010,667					2.64-2.93	75%
100% of Base	100%	$33,010,282	10.37	10%	$319,010,668	3.00 - 3.74	<25	>=34	>=325	2.94	100%
101% - 149% of Base	101% - 109%	$33,010,283-$36,311,309	10.38-11.49	10.1% - 12.0 %	$319,010,669 - 324,810,862					2.95-3.23	101-199%
150% of Base	110%>	36,311,310	>11.49	>12%	>$324,810,862	3.75 - 4.24					
151% 199% of Base											
200% of Base						4.25 - 5.00				3.23	200%

2017	EBIT		ROE	Investment Growth	Individual Goals	Business Unit Goals		Corporate (EPS)
Actual ➔	115.00%	$34,917,540	9.47%	17.2%		15	44	115%
	Email 2/13/18		115.00%			Safety	Customer Centric	Email 2/13/18
Payouts			9.62%			Preventable Accidents	Net Promoter Score	
0% of Base	<90%	<$31,405,565	<8%	<8%	<2.75	>=25	<33	0%
50% of Base	90%	$31,405,566	8%	8%	2.75-2.99			50%
51%-99% of Base	90.1% - 99.9%	$31,405,567-$34,895,072	8.1% - 9.61%	8.1% - 9.9%				50.1%-99.9%
100% of Base	100%	$34,895,073	9.62%	10%	3.00 - 3.74	<25	>=34	100%
101% - 149% of Base	100.1%-109.9%	34,895,074-38,384,579	9.63% - 12.0%	10.1% - 12.0 %				100.1-199.9%
150% of Base	110%>	>$38,384580	>12%	>12%	3.75 - 4.24			
151% 199% of Base								
200% of Base					4.25 - 5.00			200%

Interrogatory No. 41, cont.

2018	EBIT		ROE	Investment Growth	Individual Goals	Business Unit Goals		Corporate (EPS)
Actual →	115.29%	$36,312,928	9.61%	15.5%		48	48	135.71%
			93.61%			Safety	Customer Centric	
Payouts			9.73%			Total Incidents	Net Promoter Score	
0% of Base	<90%	<$31,711,851	<8.76%	<8%	<2.75	>=50	<=34	0%
50% of Base	90%	$31,711,851	8.76%	8%	2.75-2.99			50%
51%-99% of Base	90.1% - 99.9%	$31,711,852-$35,235,389	8.77% - 9.72%	8.1% - 9.9%				50.1%-99.9%
100% of Base	100%	$35,235,390	9.73%	10%	3.00 - 3.74	<50	>=35	100%
101%-149% of Base	100.1%-109.9%	35,235,391-38,758,928	9.74% - 11.67%	10.1% - 12.0 %				100.1-199.9%
150% of Base	110%>	>$38,758,929	>11.68%	>12%	3.75 - 4.24			
151% 199% of Base								
200% of Base					4.25 - 5.00			200%

2019	EBIT		ROE	Investment Growth	Individual Goals	Business Unit Goals		Corporate (EPS)
Actual →	107.45%	$42,697,975	10.17%	16.1%		20	42	150.00%
			109.52%			Safety	Customer Centric	
ayouts			9.80%			Preventable Incidents	Net Promoter Score	
% of Base	<90%	<$31,711,851	<8.8%	<8%	<2.75	>=30	<=34	0%
0% of Base	90%	$37,863,753	8.82%	8%	2.75-2.99			50%
1%-99% of Base	90.1% - 99.9%	$37,863,754-$42,070,836	8.83% - 9.79%	8.1% - 9.9%				50.1%-99.9%
00% of Base	100%	$42,070,837	9.80%	10%	3.00 - 3.74	<30	>=35	100%
01% - 149% of Base	100.1%-109.9%	42,070,838-46,277,920	9.81% - 11.75%	10.1% - 12.0 %				100.1-199.9%
50% of Base	110%>	>$46,277,921	11.76%	>12%	3.75 - 4.24			
51% 199% of Base								
00% of Base					4.25 - 5.00			200%

2020	EBIT		ROE	Investment Growth	Individual Goals	Business Unit Goals		Corporate (
Actual →	100.00%	$47,884,243	9.82%	17.8%		18	44	122.22
			100.00%	150%		Safety	Customer Centric	
Payouts			9.90%			Preventable Incidents	Net Promoter Score	
0% of Base	<90%	<$46,540,616	<8.8%	<8%	<2.75	>=30	<=34	0%
50% of Base	90%	$46,540,616	8.91%	8%	2.75-2.99			50%
51%-99% of Base	90.1% - 99.9%	$46,540,616 - $51,711,796	8.91% -9.90%	8.1% - 9.9%				50.1%-99.
100% of Base	100%	$51,711,796	9.90%	10%	3.00 - 3.74	<30	>=35	100%
101% - 149% of Base	100.1%-109.9%	$51,711,796 - >$56,882,975	9.90% - 11.88%	10.1% - 12.0 %				100.1-199
150% of Base	110%>	>$56,882,975	11.88%	>12%	3.75 - 4.24			
151% 199% of Base								
200% of Base					4.25 - 5.00			200%

Interrogatory No. 41, cont.

2021	Consolidated ROE			Individual Goals		Consolidated (EPS)	
Actual ➔	11.30%					140.46%	
	115.15%				Performance Rating		
Payouts	Below Threshold	Below 10%	0%	0% of Base	<2.75	Less than $4.14	0%
	Threshold	10%	50%	50%-99% of Base	2.75 - 2.99	$4.14 - $4.59	50% - 99%*
	Low Range	10.01% - 10.99%	51% - 99%**	100%-124% of Base	3.00 – 3.74	$4.60	100%
	Target	11.00%	100%	125%-149% of Base	3.75 - 4.24	$4.61-$4.78	101%-149%*
	Upper Range	11.01% - 11.99%	101% - 149%**	150% of Base	4.25 - 5.00	Equal to or Greater than $4.79	150%
	Maximum	12% and above	150%				

Respondent: Devon Rudloff

42. Incentive Compensation. For FPUC, please provide the amount of related incentive compensation bonus payments included in projected year 2022, and for the projected test year ending December 31, 2023.

Company Response:

Incentive compensation for projection years 2022 and 2023 is below:

	Incentive Compensation					
	Non-Executive		Executive		Total	
2022	$	1,187,712	$	901,754	$	2,089,466
2023	$	1,242,623	$	937,578	$	2,180,201

Respondent: Michael Galtman

43. Stock Based Compensation. (a) Please list, by amount and account, all stock-based compensation expense that that FPUC has included in cost of service for the years 2016 through 2021, projected year 2022, and the projected test year ending December 31, 2023, including but not limited to executive stock options, performance share awards and any other stock-based compensation awards that will result in such costs being charged to FPUC during the projected test years. (b) Also, provide a description of each distinct stock-based compensation program that will result in charges to FPUC during the test year.

Company Response:

a. Executive stock-based compensation actuals (2019 - 2021) and projected (2022 - 2023) are summarized below.

		Stock Based Compensation
	2016	$ 494,848
	2017	$ 382,986
	2018	$ 494,825
	2019	$ 699,523
	2020	$ 856,922
	2021	$ 1,105,335
Projection	2022	$ 1,158,814
Projection	2023	$ 1,206,396

Stock based compensation is also paid to members of the Board of Directors. Payments actual and projected are provided below:

Interrogatory No. 43a, cont.

		BOD Stock Based Compensation
	2016	$ 190,734
	2017	$ 167,417
	2018	$ 145,552
	2019	$ 113,914
	2020	$ 126,107
	2021	$ 154,903
Projection	2022	$ 164,011
Projection	2023	$ 169,107

Respondent: Michael Galtman

b. During the test year, FPUC will incur share based compensation expense in connection to restricted stock units ("RSU") initially approved under the Chesapeake Utilities 2013 Stock and Incentive Compensation Plan. Specifically, the RSU's FPUC will incur expense for during the test year are for awards that were granted to qualifying participants in 2021, 2022 and 2023. The RSU's issued to officers and other executives of FPUC's parent Chesapeake Utilities Corporation, have a three-year vesting period prior to issuance to the recipient. As a result, during the test year, awards initially issued in 2021 will be in their final year of the vesting period, awards issued in 2022 in their second year, and awards issued in 2023 their initial year. Additionally, Chesapeake Utilities Corporation issues shared based compensation awards to the members of its Board of Directors. These awards vest upon grant to the recipient and are issued annually in May. FPUC recognizes expense for these awards over the board members annual service period (i.e. May 2022-April 2023). Therefore, during the test year, FPUC will incur expense associated with awards to non-employee directors issued in May of 2022 and May of 2023.

Respondent: Michael Galtman

Interrogatory No. 44

44. Supplemental Employee Retirement Plan (SERP). Please provide the amount of SERP expense, by account, included in FPUC's cost of service for each of the years 2016 through 2021, projected year 2022, and projected test year ending December 31, 2023.

Company Response:

Amounts in ones

		Actuals						Projected	Projected
Acct	Div.	2016	2017	2018	2019	2020	2021	2022	2023
926	CF	6,779.80	6,315.12	6,701.40	7,730.79	824.28	762.00	770.07	778.22
926	FI	178.40	175.44	183.60	209.99	-	-	-	-
926	FN	20,339.44	19,208.28	17,809.20	19,384.22	824.28	762.00	770.07	778.22
926	FT	178.40	175.44	91.80	104.99	-	-	-	-
		27,476.04	25,874.28	24,786.00	27,429.99	1,648.56	1,524.00	1,540.14	1,556.44

Respondent: Michael Galtman

Interrogatory No. 45

45. Supplemental Employee Retirement Plan (SERP). (a) Please list the number of active employees and executives for which SERP expense was incurred for each of the years 2016 through 2021, for the projected year 2022, and for the projected test year1 ending December 31, 2023. (b) Please list the number of retired executives for which SERP expense was incurred for each of the years 2016 through 2021, for the projected year 2022, and for the projected test year1 ending December 31, 2023.

Company Response:

	a		b		
YEAR	**ACTIVE EMPLOYEES & EXECUTIVES**		**RETIRED EXECUTIVES**		**Total**
2016 Actual	2		3		5
2017 Actual	2		3		5
2018 Actual	2	(1)	3		5
2019 Actual	1	(2)	4	(3)	5
2020 Actual			4		4
2021 Actual			4		4
2022 Projected			4		4
2023 Projected			4		4

[1] – Former President and CEO retired in December of 2018, so he is accounted for as active for this year.
[2] – Former Senior Vice President of Natural Gas retired in December of 2019, so he is accounted for as active for this year.
[3] – Former President and CEO took a lump sum payment for all of his benefits in 2019 and exited the plan.

Respondent: Michael Galtman

46. Provide a breakout of the amount of 2019, 2020, 2021 and estimated 2022 and 2023 test year SERP expense by participant. Include supporting calculations.

Company Response:

The amounts without the participant's names are provided below. Please refer to the attached file "Confidential OPC ROG 46" for the schedule with the participant names.

	Amounts in ones				Projected	Projected	
Acct	**Participant**	**2019**	**2020**	**2021**	**2022**	**2023**	
926	Participant 1	25,302	-	-	-	-	(a)
926	Participant 2	2,233	1,649	1,524	1,614	1,762	
		27,535	1,649	1,524	1,614	1,762	

(a) Participant 1 received a single lump sum retirement benefit in July 2019; therefore, there is no further liability on his behalf beyond that year.

The calculations used to determine the amounts are provided in programs attached in "OPC ROG 46b", "OPC ROG 46c", and "OPC ROG 46d".

Respondent: Michael Galtman

Interrogatory No. 47

47. Payroll. Please provide a description of FPUC's current merit and cost of living wage rate increase policies including policies that are reasonably expected to be effective in the test year.

Company Response:

FPUC annually reviews compensation studies to make sure we are paying market value for talent. We do not have a cost of living wage increase policy.

Respondent: Devon Rudloff

Interrogatory No. 48

48. Payroll. Does FPUC anticipate reducing the number of employees, including any voluntary early retirement or other force reduction programs, during 2022 or in the next three years (2023-2025)? If yes, state the timing and number of affected employees for all divisions. Also state the projected costs and savings of any such plans for each company.

Company Response:

No. The Company does not have any plans to offer a voluntary early retirement or a reduction in force during 2022 or in the next few years. The labor market is challenging, and we hope to retain the talent we have today.

Respondent: Devon Rudloff

Docket No. 20220067-GU

49. Executive Compensation. Please provide a listing of the total compensation of each corporate officer of FPUC or any other entity whose executive compensation costs are charged or allocated to FPUC for 2018 through 2021 (and projected amounts for the same cost for 2022 and 2023). Indicate the separate amount charged to O&M expense and capitalized, and breakdown the total compensation by type including, but not limited to, salary, deferred compensation, stock options, vehicle allowances, etc.

Company Response:

Please refer to the attached file "OPC ROG 49".

Respondent: Michael Galtman & Devon Rudloff

50. Benefits. Please provide a description of each of FPUC's employee benefit program(s) or plan(s) in effect currently as well as for those that will be in effect during projected year 2022, and the projected test year 2023, if different from the current program(s) or plan(s).

Company Response:

Please refer to the attached files titled "OPC ROG 50 2021 Benefit Guide" and "OPC ROG 50 2022 Benefit Guide". The benefit guide for 2023 will not be available until November 2022. Benefits are not expected to decrease but likely to increase due to the competitive market to hire and retain employees.

Respondent: Devon Rudloff

Interrogatory No. 51

51. Benefits. For each benefit cost charged by, or allocated to FPUC, please provide the annual level of each separate benefit cost broken down between expensed, capitalized and other for 2016, 2017, 2018, 2019, 2020, 2021 and 2022 to date along with a comparison of the benefit costs in projected year 2022, and projected test year 2023.

Company Response:

Please refer to the attached file "OPC ROG 51".

Respondent: Michael Galtman & Devon Rudloff

55. Uncollectables. For FPUC, please provide the following annual jurisdictional data related to uncollectible accounts for 2016, 2017, 2018, 2019, 2020, 2021 and 2022 to date including the following:

a. bad debt expense;

b. bad debt write-offs;

c. collections of written-off accounts; and

d. billed revenues.

Company Response:

The annual jurisdictional data related to uncollectible accounts are as follows:

	a.	b.	c.	d,
Year	Bad Debt Expense	Bad Debt Write-Offs	Collection of Written-Off Accounts	Billed Revenues
2016	$ 385,495	$ 401,582	$ 49,553	$ 100,039,678
2017	162,299	345,631	184,783	108,845,570
2018	296,355	343,643	36,872	107,663,735
2019	387,925	378,880	42,770	114,639,414
2020	296,865	161,763	32,333	117,904,147
2021	251,504	548,047	57,501	134,415,921
2022*	274,102	171,212	15,769	57,415,216

*Balances are from January to April 2022

Respondent: Michael Galtman

Interrogatory No. 56

56. Storm Costs. For FPUC, provide by year for 2016, 2017, 2018, 2019, 2020, 2021 and 2022 to date the costs recorded for storms to O&M and/or a reserve by account. Identify specifically any hurricane or major storm (i.e. storm with significant costs) and provide the Company definition of a major storm), the date of the storm, the time period of restoration and the cost associated with the storm by account.

Company Response: The Company definition of a major storm is either a named storm or a major storm that causes costs in excess of $5,000.

Please refer to the attached file titled "OPC ROG 56 Storm Costs".

Respondent: Michael Galtman & Jason Bennett

57. Taxes. For FPUC, please provide a schedule, by county, showing the most recent actual property tax assessments and the rates which determine those assessments.

Company Response:

Please refer to the attached file titles "OPC ROG 57 Property Taxes FPUC".

Respondent: Michael Galtman

61. Directors and Officers Liability Insurance.

a. Has FPUC included any amounts in rate base for Directors and Officers liability insurance in 2020 or 2021, projected year 2022, or in the projected test year ending December 31, 2023? If so, please identify by amount and account.

b. Has FPUC included any amounts in operating expense for Directors and Officers liability insurance in 2020 or 2021, projected year 2022, or in the projected test year ending December 31, 2023? If so, please identify by amount and account.

c. Please identify the cost and coverage for each Directors and Officers liability insurance policy that was in effect during each year 2020, 2021 and 2022.

d. Does FPUC record any amounts for Directors and Officers liability insurance as prepaids? If not, explain fully why not. If so, please show the monthly dollar amounts for January 1, 2020 through the present.

Company Response:

a. The Company has not included any Directors and Officers Insurance in Rate Base as a capitalized benefit cost. The amount included in 13-month average working capital for is $37,383 for 2020, $36,098 for 2021, 2022, and 2023.

b. The Company has included Directors and Officers insurance in expenses. For the Consolidated FPUC, the amounts are as follows:

2020	$ 76,143
2021	$ 90,018
Projected 2022	$116,274
Projected 2023	$171,055

The amounts are included in FERC account 925. For the detailed account number, please refer to the attachment provided for OPC ROG 60.

Respondent: Noah Russell

Interrogatory No. 61c-d

c. Please identify the cost and coverage for each Directors and Officers liability insurance policy that was in effect during each year 2020, 2021 and 2022.

d. Does FPUC record any amounts for Directors and Officers liability insurance as prepaids? If not, explain fully why not. If so, please show the monthly dollar amounts for January 1, 2020 through the present.

Company Response:

c. Please refer to the attached file "OPC ROG 61c – D&O Policies Cost and Coverage". This represents the total Directors and Officers cost for CUC. The D&O prepaid is booked to individual business units and expensed over the policy term. In addition, FPUC and other entities are allocated D&O insurance expense from some corporate business units/departments.

d. Please refer to the attached file "OPC ROG 61d – D&O Prepaids". Balances shown are the prepaid balances booked directly to the FPUC entities. These balances are expensed over the policy term. As noted in c. above, the FPUC entities are also allocated D&O insurance expense from some corporate business units/departments.

Respondent: Noah Russell

63. Rate Case Expense.

a. Identify the test year(s), filing date and rate effective date for FPUC's last three rate cases, by division.

b. Please provide the level of rate case expense incurred for the last three rate cases broken down by payee or type of activity.

c. Indicate which cases were settled and which were litigated. For the settled cases, also indicate at which stage they were settled (e.g., before rebuttal, after rebuttal, before hearings, after hearings, etc.).

d. Show and describe FPUC's proposed normalization period and expense request for rate case expense in the current proceeding.

e. Has FPUC included any unamortized rate case expense in rate base? If so, explain fully why and identify by amount and account.

Company Response:

a.

	FPUC	FT*	FI**	CFG
Historic Years	12/31/2007 12/31/2003 12/31/1993	N/A	12/31/2002	12/31/2008 12/31/1999 6/30/1989
Projected Test Years	12/31/2009 12/31/2005 12/31/1995	N/A	12/31/2004	12/31/2010 12/31/2001 6/30/1991
Filing Date	12/17/2008 5/10/2004 9/23/1994	N/A	12/15/2003	7/14/2009 5/15/2000 11/15/1989
Rate Effective Date	1/14/2010 11/18/2004 5/6/1995	N/A	6/17/2004	1/14/2010 12/7/2000 7/9/1990

*The Fort Meade division has never filed a rate case with the PSC.

** The Indiantown division has only filed one rate case in its history with the PSC.

Respondent: Michelle Napier

Interrogatory No. 63b

Company Response:

b.

FN	2009 Rate Case	2004 Case	1994 Case
Outside Consultants: Cost of Capital and & Cost of Service	$442,841	$255,550	
Legal Services	42,749	50,600	
Travel Expenses	12,490	11,237	
Additional Staffing/Temp Pay	33,422	41,000	
Other Expenses	72,140	62,330	
Total	603,642	420,717	$113,000*

*No detail given on approved rate case expense amount.

INDIANTOWN	2004 Rate Case
Outside Consultants: Cost of Capital and & Cost of Service	$36,000
Legal Services	12,000
Travel Expenses	0
Additional Staffing/Temp Pay	0
Other Expenses	4,500
Total	52,500

CFG	2010 Case	2000 Case	1989 Case
Outside Consultants: Cost of Capital and & Cost of Service	$73,500		$26,600
Legal Services	90,000		40,000
Travel Expenses	0		0
Additional Staffing/Temp Pay	0		0
Other Expenses	111,500		6,000
Total	275,000	266,000*	72,600

*No detail given on approved rate case expense amount.

Respondent: Michelle Napier

Interrogatory No. 63c

Company Response:

c.

The Indiantown rate case proceeded under the rules governing Proposed Agency Action. The Fort Meade division has never filed a rate case with the PSC.

FPUC	2009 Rate Case	2004 Case	1994 Case
	Filed under PAA after protest was later settled.	Filed under PAA	Settlement reached prior to hearing

CFG	2010 Case	2000 Case	1989 Case
	Filed under PAA, Litigated	Litigated	Litigated

Respondent: Michelle Napier

Interrogatory No. 63d-e

Company Response:

d. MFR C-13 details the Company's rate case projections of $3,427,576 to be amortized over a five year period. The Company has only included half of the balance in working capital since the rate case expense will be amortized over the time the rates are in effect.

e. Yes, similar to any other pre-paid assets, and, consistent with prior cases, the Company included one half of the estimated rate case expense in account 1860 which is included in projected working capital for 2023.

Respondent: Michelle Napier

Docket No. 20220067-GU

Interrogatory No. 65

65. Planned Maintenance. For FPUC, provide for each of the years 2016 through 2021 and for 2023 year to date the actual and budgeted planned gas distribution and gas transmission maintenance with explanations for any variances of more than 15%. Provide a comparable summary for the requested gas distribution and transmission maintenance for projected year 2022, and for the projected test year ending December 31, 2023.

Company Response:

Planned maintenance includes activities that are known and scheduled (such as inspection, painting of meters sets, etc.) as well as anticipated and emergent activities (such as leak repair).

2016 through April 2022 maintenance costs are those charged to FERC account 885 through 894. 2022 and 2023 projected maintenance costs are based on 2021 actual maintenance costs, adjusted for payroll and non-payroll items and inflated by the appropriate Projection Basis. The Projection Basis used are consistent with those found in Schedule G-2 p.19a and any over/under adjustments on Schedule G-2 p. 19g.

Budgets are prepared based on historical experience and additional costs necessary to provide safe and efficient service. This process uses a natural account, which is part of our general ledger account, as opposed to the FERC account, which is also part of our account string. Costs budgeted by departments are not distributed to all appropriate FERC accounts. In addition, budgets are not prepared to the level of detail that the Company can determine budgeted amounts by details such as activity, invoice or vendor. Identifying the budgeted amounts for 2016 through 2021 related only to planned maintenance are not available, as that would require budgeting by FERC account, vendor or activity.

Total maintenance, planned and unplanned by year follows:

Interrogatory No. 65, cont.

Year	Total Maintenance
2016 Actual	$1,862,162
2017 Actual	$1,853,046
2018 Actual	$2,093,684
2019 Actual	$2,355,110
2020 Actual	$2,249,779
2021 Actual	$2,483,950
January thru April 2022 Actual	$1,005,590
2022 Projected	$2,674,914
2023 Projected	$2,817,242

Respondent: Michael Galtman and Jason Bennett

Interrogatory No. 66

66. Accumulated Deferred Income Taxes. a) Provide the current balance of ADIT and the December 31 balance of ADIT for each of the divisions for each of the years 2018, 2019 and 2020.

Company Response:

Please refer to the attached file "OPC ROG 66".

Respondent: Michael Galtman

84. Please show in detail the following information by plant account that was used to derive the Depreciation Expense adjustment in the Company's filing:

   a. The book plant balance;
   b. The adjusted plant balance;
   c. The "per book" depreciation expense;
   d. The depreciation rate used to derive the "per book" depreciation expense;
   e. The depreciation rate used to derive the adjusted depreciation expense;
   f. The source for each amount in a through e;
   g. For the per book plant balance in part a, if the Company used an average plant balance for rate base, please show in detail how the average plant in service and accumulated depreciation amount in total and by plant account was derived. Include all supporting calculations.

Company Response:

The adjustments made in MFR schedule C-2 are the adjustments to book depreciation. Included in that schedule are two adjustments to depreciation expense, a non-utility adjustment and a flex rate adjustment. Please refer to the attached file titled "OPC ROG 84 Depreciation Expense Adjustment".

Respondent: Michelle Napier

Interrogatory No. 85

85. Did the Company make any pro forma adjustment to Accumulated Depreciation related to its Adjustment for Depreciation Expense?

  a. If so, please identify the related adjustment to Accumulated Depreciation.

  b. If not, explain fully why not.

Company Response:

Yes, please refer to the MFR schedule G-1 page 4 for the adjustment to accumulated depreciation which relate to the adjustments made to depreciation expense.

Respondent: Michelle Napier

98. Early Retirement Plan. Did the Company offer any early retirement plan during the test period or subsequently? If so, provide full details, including any written descriptions provided to potentially eligible employees. Also, list the detailed impacts on annual expenses for the years, 2019, 2020, 2021 and 2022 and as budgeted/estimated/forecasted for 2022 and 2023. Include a copy of any cost-benefit analyses associated with such early retirement programs.

Company Response:

No. The Company did not offer any early retirements to FPUC employees during the test year. There has been one early retirement of our Chief Human Resources Officer in 2021. His position was filled in 2021. The retiree was given a consulting agreement as an early retirement package. A portion of this consulting agreement was allocated to the Florida natural gas divisions in 2021 but those costs were removed in the 2021 normalization adjustments in G-2 p. 19a to 19d. Therefore, they were not trended up and not included in the 2023 test year costs.

Respondent: Devon Rudloff

99. Employee Associations. Please list each athletic and employee association to which the Company contributes and provide the amount included in the adjusted test year. Identify which accounts the costs are included in.

Company Response:

Details of any contributions to athletic associations can be found in the Company's response to ROG 100c. Given the Company's response to Office of Public Counsel's Interrogatory 100c, no amounts have been included for athletic association contributions in the test year. Details of any membership dues paid to social or professional associations can be found in the Company's response to Office of Public Counsel's Interrogatory 54a.

Respondent: Michael Galtman

100. Employee Benefits. For each of the following benefits indicate whether the Company or any of its affiliates that charge cost to the Company offers such benefit; the annual cost of such benefit in the test year; and the amount and account charged. For each item, also provide the amount of annual expenses, by account, recorded by FPUC for the years, 2019, 2020, 2021 and 2022 to date, and as budgeted/estimated/forecasted for 2022 and 2023. This response should also include such costs allocated from affiliated companies:

a. Company-provided automobiles;
b. Spousal travel;
c. Country or athletic club membership and expenses;
d. Personal travel on Company-owned or leased aircraft;
e. Tax and/or estate planning;
f. Company-paid legal counsel for personal matters;
g. Company-provided housing.

Company Response:

a. Please refer to the attached file "OPC ROG 100a".
b. The Company has not paid or reimbursed for any spousal travel for the business units and years in question.
c. The Company has not paid or reimbursed for any country or athletic club membership and expenses for the business units and years in question.
d. The Company does not own or lease aircraft.
e. The Company has not paid or reimbursed for any tax or estate planning for the business units and years in question.

f. The Company has not paid or reimbursed for any company paid legal counsel for personal matters for the business units and years in question.

g. Any temporary housing costs are recorded in account 926. There were no temporary housing costs in 2019. In 2020, there was a total of $2,205.73 allocated to FPUC associated with temporary housing for the Chief Operating Officer. In 2021, there was a total of $2,611.64 allocated to FPUC in temporary housing for the AVP Operation Services. There were no company- provided housing costs recognized through April 2022. The forecasted expense for 2022 and 2023 was calculated based on the 2021 actual expense and was escalated using the appropriate growth factors.

Respondent: Michael Galtman

Interrogatory No. 101

101. Employee Benefits. For 2019, 2020, 2021 and 2022 to date, and as budgeted/estimated/forecasted for 2022 and 2023, please list all payments made for employee gifts, employee awards, employee luncheons and dinners, employee picnics, parties, social events and all other similar items. For each, list the dollar amount paid, the payee, the account charged and state the purpose.

Company Response:

The company has various programs in place to promote safety, motivate employees, recognize accomplishments and foster a work environment that attracts and retains quality staff.

The expense associated with these programs are summarized below. To list each payment at the employee or vendor level detail would be too voluminous and overly burdensome.

	FERC	Actual 2019	Actual 2020	Actual 2021	Normalization 2021	Adjusted Actual 2021	YTD April Actual 2022	Trended 2022	Trended 2023
1 Employee Awards	920	$ -	$ -	$ 8,980	$ (8,980)	$ -	$ 2,934	-	-
2 Company Events	926	88,393	21,854	1,927	31,937	33,864	-	36,708	38,835
3 Safety Awards	925	4,779	15,315	5,914	-	5,914	-	6,411	6,782
4 Service Awards	926	29,608	17,068	29,444	-	29,444	1,461	31,917	33,766
5 Other Benefits	926	10,075	7,686	22,718	-	22,718	5,920	24,627	26,053
		$ 132,855	$ 61,923	$ 68,983	$ 22,957	$ 91,940	$ 10,315	$ 99,663	$ 105,437

Purpose

1 Pandemic Spot Awards paid to various employees
2 Company sponsored events and luncheons for team building and networking
3 Safety Awards offered to employees for achieving specified safety targets
4 Service Awards to mark employee milestones. Employee Assistance Program
5 Other Benefits such as FMLA Program

Respondent: Michael Galtman

102. Environmental Clean-Up Costs. During 2019, 2020, 2021 and 2022 to date, and as budgeted/estimated/forecasted for 2022 and 2023, did the Company incur, or expect to incur, expenses for the clean-up of any contaminated land sites owned or formerly owned by the Company? Did the Company incur any legal expense related to the clean-up of contaminated land sites?

a. If so provide the amount included in the each period identify the accounts charged.

b. How has the Company treated such costs for ratemaking purposes (i.e. does it propose to fully recover these costs from ratepayers)?

c. Please identify and provide excerpts from Commission orders upon which the Company is relying which support the Company's proposed treatment of environmental clean-up cost.

Company Response:

a. Yes, as discussed on page 25 of Witness Cassel's testimony, the Company has incurred and expects to incur additional expenses, including legal expenses, for the clean-up of contaminated land sites. Please refer to Exhibit MDC-3 for projected expenses to be incurred for environmental clean-up efforts. The actuals for 2019 thru April 2022 follow:

Account	2019 Actual	2020 Actual	2021 Actual	2022 Actual Thru April	Grand Total
1865	$ -	$ -	$ 48,388.96	$ 2,668.96	$ 51,057.92
2530	$ 668,283.26	$ 1,712,601.47	$ 304,531.90	$ 161,406.24	$ 2,846,822.87
Grand Total	**$ 668,283.26**	**$ 1,712,601.47**	**$ 352,920.86**	**$ 164,075.20**	**$ 2,897,880.79**

b. In the past FPUC was recovering these costs through a reserve funded by expenses in base rates. CFG recovered these costs via a surcharge. With the consolidation one methodology is necessary. The Company is proposing to recover these costs from customers through a surcharge as discussed on page 26 of Witness Cassel's testimony.

c. Excerpts from Commission Orders below detail the approval given to establish an environmental surcharge to recover costs associated with remediation of MGP sites.

Order No. PSC-10-0029-PAA-GU – Page 30 – Establishing a surcharge for environmental clean-up cost.

> We find the temporary surcharge is an appropriate method of collecting costs associated with the environmental remediation of the MGP site. First, it allows the Company to recoup necessary costs and expenses associated with the remediation of the MGP site in a timely manner. Under the current recovery method, it would take the Company an estimated 13 years to recoup the estimated full cost of $956,257, on an annual basis of $71,114. In addition to timely collection, the surcharge has the advantage over collection through base rates because once the costs have been recovered, Chesapeake can remove the charge from customer bills without having to file a rate proceeding for modification to its base rates. We have previously approved temporary surcharges to collect known costs for Gulf Power Company (Gulf)19 and Progress Energy Florida, Inc. (PEF).

Order No. PSC-14-0052-PAA-GU – Page 5 – Extending environmental surcharge

> In light of the foregoing, we find that an extension of the current surcharge is an appropriate method to recoup the additional remediation costs associated with the environmental cleanup of the former MGP site. It will allow Chesapeake to remove these environmental costs from the books and recover them in a timely manner. Therefore, we approve the extension of the surcharge to allow the Company to recover the additional remediation costs over the 20-month period, commencing January I, 2014 and remaining in place through August 31, 2015.

Order No. PSC-16-0562-PAA-GU Issued December 16, 2016 – Page 4 (Basis for addressing environmental clean-up in this case)

> Chesapeake asserted that retaining the over-collected balance would ensure that the Company is well positioned to address additional remediation costs consistent with this Commission's intent set forth in the orders establishing and extending the Environmental Surcharge. In approving and extending the Environmental Surcharge in previous orders, this Commission allowed Chesapeake to raise the funds necessary to cover these forecasted environmental expenses, as the Company was not recovering the costs in base rates necessary to recover its expected costs. We find that if this Commission were to require the Company to issue a refund, it would cause financial harm when the forecasted costs that the surcharge was meant to recover are incurred. This Commission also finds that allowing Chesapeake to retain the

overcollected funds in order to cover the forecasted environmental remediation expenses would prevent the Company from facing unnecessary financial harm. With Chesapeake incurring approximately $78,340 of related expenses between September 2015 and June 2016, and the remediation process forecasted to last another four to five years, we find that this is a timing issue and it would be appropriate for the Company to retain the over-collected balance in order to address future anticipated remediation costs. Therefore, Chesapeake's petition to retain the overcollected balance, related to funds collected through the Environmental Surcharge, as a regulatory liability in Account 254 for purposes of addressing the future expected remediation costs shall be approved. The status of the remediation efforts and costs shall be subject to review in the Company's next rate case.

Respondent:* *Michelle Napier

105. Filing Information. Do any of the Company's proposed treatment of any rate base, operating revenue or operating expense items in the test year represent a conscious deviation from the treatment of similar items in the Commission's order in the Company's last rate case? If so, please identify, quantify, and explain each such item for which the Company has not followed the same treatment applied in the Commission's order in its last rate case.

Company Response:

There are four changes to the existing policies that are being requested as part of this docket. The adjustments related to the changes are shown and identified in G-1 page 4, 4a, and G-2 page 2 for all of following items.

1. The Company is requesting a change in its Area Expansion Program (AEP) as discussed by witness's Lake and Napier. The net effect of the adjustments is zero.

2. Due to the consolidation of the divisions, we have requested changing the existing treatment of the regulatory assets, liabilities, and expenses related to the existing environmental program of FPUC in order to be consistent with the surcharge treatment used by CFG in prior years. These changes are discussed in witness Cassel's testimony. This results in a net increase to rate base of $3,545,624 and a net decrease to expenses of $340,687.

3. Witness Napier discusses the change in treatment of special contract customers for all divisions to a methodology consistent with the Commissions orders on Flexible Gas where the Company was required to remove the rate base, revenue and net operating income from its reports in order to protect the remaining rate payers rather than doing so in the cost of service allocation. The alternative would be to incorporate these contracts into the cost of service study; but the net impact to rate payers would be the same. This results in a net rate base

reduction of $6,224,499, a reduction of revenue of $3,045,831, a reduction of expenses of $1,306,141.

4. The Company is requesting that bad debt related to clause revenue be removed from the rate case and charged to the costs in the individual clause dockets. This is also discussed in Witness Cassel's testimony. This results in a net decrease to expense of $93,595. If this is not approved, bad debt expense would need to be increased.

Respondent: Michelle Napier

106. Filing Information. Has the Company knowingly failed to reflect in its filing any adjustments that were ordered of similar items in the Commission's order in the Company's last rate case? If so, please identify, quantify, and explain each such item for which the Company has not followed the same treatment applied in the Commission's order in its last rate case.

Company Response:

The Company objects to this request to the extent that the phrase "knowingly failed" suggests any action taken, or not taken, by the Company was improper, which is incorrect. Notwithstanding and without waiving this objection, the Company states that FPUC's filing G-1page 4a in Docket 20080366-GU, removed $1,900,000 for account 303.1 from plant because it was related to a non-compete agreement. However, since the acquisition by Chesapeake, this balance is no longer included in plant, and, therefore no longer needed to be removed. In addition, that filing removed 9% of its materials and supplies inventory based on the assumption that a portion of inventory was used for non-utility operations. However, currently, non-regulated business has been broken out into separate divisions with their own inventory account, along with their own revenues and expenses. This eliminates the need for adjusting allocations to rate base and net operating income. Any common expenses are allocated to the non-utility divisions according to the Cost Allocation Manual.

The Company makes non-utility adjustments to rate base and depreciation expense for space in FPUC owned offices that relates to any non-utility use. Vehicles and the associated accumulated depreciation used for non-utility purposes are also removed if used by another division however, the depreciation expense is allocated to those divisions as part of the allocation process and, therefore, not part of the adjustment. Although this docket was settled with a black box settlement, the other adjustments that were made in Commission Order No. PSC-2009-0375-PAA-GU before the settlement that were not made, related to correction of errors in the last case and not policy changes.

Adjustments were made in the Florida Division of Chesapeake Utilities Corporation, Docket 20090125-GU to remove the Company's social events, 15% of industry association dues, promotional advertising and political contributions. Since political contributions are recorded below the line, no adjustment is necessary. Although adjustments were made for social events, promotional advertising, and industry association dues for 2021 and 2022 as part of the filing, we have not removed these for 2023. The adjustments made in 2021 were $10,042 for industry dues, $555 for social events, and $2,538 for promotional advertising.

As discussed in Witness Cassel's testimony, industry advocacy at the political level is essential due to the increased issues related to energy and the environment and to preserve our customer's ability to choose natural gas. Therefore, industry dues related to lobbying benefit our customers.

Social events were not removed because they include presentations by the officers and senior managers of the Company and are used to show appreciation to the employees, increase focus and consideration of safety by employees, inform them of the status of the Company as a whole, and acknowledge them for their achievements and impact to the Company. In addition, motivational presentations are made to encourage employees to continue to provide great customer service, both at an internal and external level and to identify and implement further customer experience enhancements. Employees are recognized for meeting goals at events. In addition, these meetings give the employees an opportunity to network with their peers and strengthen relationships which improve teamwork and customer service. Employees are encouraged to ask management questions regarding the Company and their work, and to provide input and suggestions to management. All of these are prudent and essential in terms of providing the best service to our customers and our community.

In 2021, promotional advertising consisted of a few sponsorships of local events. Sponsorship of local events provides benefits to the Company, customers, and employees. Companies are expected to participate in the communities they serve on an increasing level by its customers, community, and employees. These events give the Company an opportunity to participate in the communities they serve. Sponsorships usually include inclusion of the Company phone number in handouts and often include messages about safety or energy conservation.

Respondent: Michael Cassel and Michelle Napier

Interrogatory No. 111

111. Please reconcile the amount of Other Post Employment Benefits expense in the test year to the most recent actuarial report concerning the determination of the net periodic benefit cost for each Postretirement Benefit Plan in which FPUC employees participate. Identify, quantify, and explain each reconciling item.

Company Response:

Please refer to the attached files "OPC ROG 111a" and "OPC ROG 111b" for the reconciliation and supporting documents.

Respondent: Noah Russell and Mike Galtman

Docket No. 20220067-GU

112. Please reconcile the amount of defined benefit pension expense in the test year to the most recent actuarial report concerning the determination of the net periodic benefit cost for each defined benefit pension plan in which FPUC employees participate. Identify, quantify, and explain each reconciling item.

Company Response:

The Company has included the most recent actuarial report concerning the determination of the net periodic benefit cost for the FPUC defined pension plan. The report was issued by Prudential in January 2022. In March 2022, FPUC obtained a ten year cost projection from the Plan's actuary for purposes of analyzing expected future costs associated with the FPUC pension plan. The projection included updated assumptions related to projected discount rates and expected return on plan assets and considered varying degrees of interest rate changes which were being contemplated to change due to Federal Reserve policy actions. This updated ten year projection, was utilized for projecting net periodic benefit cost associated with FPUC's defined benefit pension plan for the projected test year of 2023. The report reflects a longer term view of rising interest rates and return on plan assets. As a result, an adjustment to projected net periodic benefit cost of $290,473 was included in the projected 2023 test year as detailed on MFR G-2 19m.

Please see reconciliation and supporting documents at "OPC ROG 112a", "OPC ROG 112b", and "OPC ROG 112c".

Respondent: Michael Galtman

20220067-GU Staff Hearing Exhibit 00378

Interrogatory No. 113

113. Rent Expense. Provide the following:

a. Identify each building, facility or property which FPUC is renting and its annual rental cost for each year 2019 through 2021, 2022 to date, and as estimated/forecast for each year, 2022 and 2023;

b. Identify each item for which the 2022 and 2023 annual rental has increased, indicate when the increase occurred and provide the amount of annual increase; and

c. Identify each rental item which has ceased or for which the annual rental has decreased, identify the amount included in the test year, and provide the amount of associated annual decrease.

Company Response:

Please refer to the attached file "OPC ROG 113 a-c Rent Expense".

Respondent: ***Michael Galtman***

117. Plant held for future use. Please provide an itemized listing of all plant held for future use as of December 31, 2021. For each item of future use plant, please provide the following information:

a. The amount;
b. The date originally recorded in the account;
c. The original planned use date;
d. The current estimated use date;
e. The purpose for which the land or item will be used;
f. Whether an appraisal is available;
g. The treatment of the item in the 2023 test year;
h. The amount of related property taxes; and
i. The amount of maintenance costs.

Company Response:

As of December 31, 2021, the Company does not have plant held for future use for FPUC, Indiantown, Ft. Meade, or the Florida Division of Chesapeake.

Respondent: Michael Galtman

118. For each item listed in the Company's 2021 financial statements, as a component of "Regulatory Liabilities" or "Regulatory Assets":

a. Please provide a citation to the Commission order which established that item as a regulatory asset or liability;

b. Please provide the supporting workpapers showing in detail how each regulatory asset and liability amount was derived;

c. Please identify which items within the Regulatory Liabilities account are reflected as deductions to rate base, and which are not deducted from rate base. For each Regulatory Liability item that is not deducted from rate base, please explain fully why;

d. Please identify which items within the Regulatory Assets account are reflected in rate base, and which are being excluded from rate base. For each Regulatory Asset item that is included in rate base, please explain fully why; and

e. Does FPUC have a regulatory liability for Net Cost of Removal for Interim Retirements, or similar? If so, please describe the purpose and circumstances of such a regulatory liability.

Company Response:

a. Please refer to the attached file "OPC ROG 118.1 FNGD regulatory assets and liabilities". Accounts 186 and 253 will not tie in total to Schedule B-1 Balance Sheet for 2021 because there are additional assets in the balance sheet that are not in the regulatory assets or liabilities. In addition, account 254 was inadvertently named a regulatory liability in B-1 but was not included as a regulatory liability in the financial statement. The acquisition adjustment accounts were included as regulatory assets in the financial statements but shown separately in the filing.

b. Please refer to the attached file "OPC ROG 118.1 FNGD regulatory assets and liabilities" for the reference to the supporting workpapers and the attached files beginning with the title "CONFIDENTIAL OPC ROG 118.2 FN Self Insurance" through all the way to "OPC ROG 118.30".

c. Please refer to the attached file "OPC ROG 118.1 FNGD regulatory assets and liabilities" which shows if the account was included in rate base or cost of capital and column T of that worksheet which explains why accounts were included or excluded.

d. Please refer to the attached file "OPC ROG 118.1 FNGD regulatory assets and liabilities" which shows if the account was included in rate base or cost of capital and column T of that worksheet which explains why accounts were included or excluded.

e. The Company does accrue for the cost of removal for future retirements. However, the amount accrued is a portion of accumulated depreciation. When depreciation rates are established, a portion of the depreciation rate is attributed to the asset removal cost liability based on information in the depreciation study. For financial purposes, the portion established is booked into the asset removal cost liability and the rest is recorded in accumulated depreciation as the assets are depreciated. For regulatory purposes, since both the asset removal cost liability and the accumulated depreciation were calculated using the one asset life rate in the depreciation study, both are combined to arrive at the accumulated depreciation presented instead of being shown separately.

Respondent: ***Michelle Napier***

119. Provide a detailed amortization schedule for all items of Miscellaneous Intangible Plant, in Account 303, for each year 2019, 2020, 2021 and as forecast for 2022 and 2023 showing (1) the total amounts, (2) an itemized description of each component of the total and its dollar balance as of each year-end, (3) the amortization period being used, (4) the basis for the amortization period used, including a citation to the Commission order and/or depreciation study relied upon, and (5) a copy of the depreciation study relied upon.

Company Response: As of December 31, 2019, 2020 and 2021, the Company had Miscellaneous Intangible Plant in account 303 of $213,641 and accumulated amortization of $127,642. These are the same balances the Company projected for 2022 and 2023. The Miscellaneous Intangible Plant balance was in FPUC books prior to its acquisition by Chesapeake Utilities Corporation in October 2009. Due to length of time that has elapsed since the Miscellaneous Intangible Plant was recorded, the Company has been unable to trace the balance to any depreciation study. However, a review of the CPR and ASR plant records from 2009 and 1998 show that the Miscellaneous Intangible Plant balances are associated with rights granted for Wayside and Deland south natural gas stations and were reclassified from 379 to 303. The Company's GL shows that the assets were last amortized for four months in 2011 at a rate 3.4% per year. The Company should have continued with amortization entries until fully amortized. The Company will make a true-up amortization entry to correct this error. Its projected average rate base for 2023 will be lower by $85,839 as a result of making the amortization true up entry. As a result the Miscellaneous Intangible Plant will be fully amortized on March 2023. Please refer to the attached file titled "OPC ROG 119-Miscellaneous Intangible Plant Amortization" for additional details.

Respondent: Michelle Napier

Interrogatory No. 120

120. Has FPUC included any expense in the test year related to stock based compensation, stock options or Restricted Stock/Unit Plan (RSUP)? If not, explain fully why not. If so, identify all amounts requested and provide a complete copy of the respective plan documents.

Company Response:

FPUC included the following expenses associated with shared based compensation or Restricted Stock Unit Plans by FERC account in the test year. These include amounts provided to the Board of Directors.

FERC Acct	Projected Expense for Test Year ending 12/31/23
870	1,405
871	16,827
885	128
901	17,477
920	1,170,560
930	169,107
	1,375,503

Respondent: Michael Galtman

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida Public Utilities Company, Florida Division of Chesapeake Utilities Corporation, Florida Public Utilities – Fort Meade and Florida Public Utilities – Indiantown Division	) Docket No. 20220067-GU)))) Filed: June 30, 2022)

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. 1,4,5,7,63,84,85,102,103,104,105,106,118 and 119 in Docket No 20220067-GU. 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.

Michelle D Napier

Michelle D Napier, Declarant

Dated: 06/30/2022

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida Public Utilities Company, Florida Division of Chesapeake Utilities Corporation, Florida Public Utilities – Fort Meade and Florida Public Utilities – Indiantown Division	) Docket No. 20220067-GU)))) Filed: June 30, 2022)

DECLARATION

I hereby certify and affirm that I sponsored the Company's responses to CITIZENS' FIFTH SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY, Nos. 22, 64, 65, 80, 81, 95, 96, and 109 in Docket No. 20220067-GU. 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.

Jason Bennett, Declarant

Dated: 6/30/22

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida Public Utilities Company, Florida Division of Chesapeake Utilities Corporation, Florida Public Utilities – Fort Meade and Florida Public Utilities – Indiantown Division	) Docket No. 20220067-GU)))) Filed: July 5, 2022)

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. 8, 9, and 10 in Docket No. 20220067-GU. 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.

Paul M. Moul

Paul Moul, Declarant

Dated: 06-30-2022

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida Public Utilities Company, Florida Division of Chesapeake Utilities Corporation, Florida Public Utilities – Fort Meade and Florida Public Utilities – Indiantown Division	) Docket No. 20220067-GU)))) Filed: July 5, 2022)

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. 4 in Docket No. 20220067-GU. 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.

John D. Taylor

John D. Taylor, Declarant

Dated: June 27, 2022

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF Nassau)

I hereby certify that on this 23rd day of June, 2022, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Michael Cassel ________, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) 91, 95, 96, 106 from CITIZENS' FIRST SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY (NOS. 1-120) in Docket No. 20220067-GU, 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 23rd day of June 2022.

Notary Public
State of Florida, at Large

My Commission Expires:
August 23, 2025

CHRISTINE MINTON
Notary Public - State of Florida
Commission # HH 160135
My Comm. Expires Aug 23, 2025
Bonded through National Notary Assn.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida Public Utilities Company, Florida Division of Chesapeake Utilities Corporation, Florida Public Utilities – Fort Meade and Florida Public Utilities – Indiantown Division	) Docket No. 20220067-GU)))) Filed: June 30, 2022)

DECLARATION

I hereby certify and affirm that I sponsored the Company's responses to CITIZENS' FIFTH SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY, Nos. 5, 21, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 37, 42, 43, 44, 45, 46, 49, 51, 52, 53, 54, 55, 56, 57, 58, 62, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 82, 83, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 99, 100, 101, 107, 108, 110, 111, 112, 113, 114, 115, 116, 117 and 120 in Docket No. 20220067-GU. 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, Declarant

Dated: 6/24/22

AFFIDAVIT

:ATE OF FLORIDA)

OUNTY OF LEON)

I hereby certify that on this 24 day of June, 2022, before me, an officer lly authorized in the State and County aforesaid to take acknowledgments, personally appeared atricia Lee, who is personally known to me, and he/she acknowledged before me that :/she provided the answers to interrogatory number(s) 12-20, 22-25 from CITIZENS' FIRST SET OF :TERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY (NOS. 1-120) in Docket o. 20220067-GU, 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 is 24 day of June 2022.

KIMBERLY A. LEE
MY COMMISSION # GG 917274
EXPIRES: November 16, 2023
Bonded Thru Notary Public Underwriters

Kimberly A Lee
Notary Public
State of Florida, at Large

My Commission Expires:

11/16/23

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida Public Utilities Company, Florida Division of Chesapeake Utilities Corporation, Florida Public Utilities – Fort Meade and Florida Public Utilities – Indiantown Division	) Docket No. 20220067-GU)))) Filed: June 30, 2022)

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. 36, 38, 39, 40, 41, 47, 48, 49, 50, 51, 90, 98 in Docket No. 20220067-GU. 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.

Devon Rudloff, Declarant

Dated: June 27, 2022

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida Public Utilities Company, Florida Division of Chesapeake Utilities Corporation, Florida Public Utilities – Fort Meade and Florida Public Utilities – Indiantown Division	) Docket No. 20220067-GU)))) Filed: June 30, 2022)

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. 2,3,6,11,59,60 and 61 in Docket No. 20220067-GU. 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.

Noah T. Russell

Noah T. Russell, Declarant

Dated: 6/27/22