

**97**

**FPUC's Responses to OPC's Third Set of  
Interrogatories, Nos. 124-126, 128-137, &  
139-141**

**(Including Attachments)**

Interrogatory No. 124

124. Stock based compensation. Please refer to the response to OPC Interrogatory No. 120. Please provide a breakout of the amounts listed for the 2023 test year showing stock based compensation amounts (1) for non-employee members of the board of directors and (2) for executives and other management employees.

**Company Response:**

The below details the amounts expected to be recognized during the test year for share-based compensation segregated between non-employee directors and the Company's executives and other management employees.

		<b>BOD Stock Based Compensation</b>	
	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

		<b>Executive Stock Based Compensation</b>	
	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

**Respondent: Michael Galtman**

Interrogatory No. 125

125. GRIP. Please refer to the response to OPC Interrogatory No. 22. Has the Company included plant or other costs in the 2023 test year that it will be requesting as GRIP Phase 2? If so, please explain fully and identify all such amounts by account.

**Company Response:**

No. None of the plant and other costs in the 2023 test year will be included as GRIP Phase 2.

*Respondent: Jason Bennett*

Interrogatory No. 126

126. Customer Deposits. Please refer to the response to OPC Interrogatory No. 26.

- a. For Chesapeake Gas Division?, why is there a big drop-off in the customer deposit amounts from 4/30/2022 actual of \$1,627,110 to the 5/31/2022 projected amount of \$1,529,829?
- b. What are the actual Chesapeake Gas Division customer deposit amounts as of 5/31/2022 and 6/30/2022?
- c. What are the actual customer deposit amounts as of 5/31/2022 and 6/30/2022 for (1) Indiantown, (2) FPUC and (3) Fort Meade?

**Company Response:**

- a. The 5/31/2022 projected amount for Chesapeake Gas Division was an estimate based on the Company's assumption of normal collections and refunds of customer deposits. The net of actual deposits collected and refunded in the period of January through April 2022 exceeded the Company's projections for May 2022 as included in its response to OPC Interrogatory No. 26 causing the noted discrepancy between actual balances in April 2022 versus the projected balance for May 2022.
- b. Chesapeake Gas Division actual customer deposit balances as requested are provided below:  

5/31/2022	\$	1,642,058
6/30/2022	\$	1,651,502
- c. Balances for Indiantown, FPUC and Fort Meade are provided below as requested:

	(1)	(2)	(3)
	<u>Indiantown</u>	<u>FPUC</u>	<u>Fort Meade</u>
5/31/2022	\$6,743	\$9,004,533	\$34,242
6/30/2022	\$6,773	\$9,155,069	\$33,947

***Respondent: Michael Galtman***

Interrogatory No. 128 (a-g)

128. Payroll and headcount. Please refer to the response to OPC Interrogatory No. 30.
- a. Do the headcount figures that are listed in the response to OPC Interrogatory No. 30a include any authorized but unfilled positions? If so, please identify the number of authorized by unfilled positions in each month.
  - b. Please provide the actual headcount as of 5/31/2022 and 6/30/2022 in similar format.
  - c. Please identify the amount of annualized payroll that is associated with the actual headcount at 12/31/2021, which is listed to be 69.94 hourly, 95.87 salaried and 56.02 union, total of 221.83.
  - d. Please identify the amount of payroll dollars that is associated with the projected head count for 2023.
  - e. Please identify the amount of payroll dollars that is associated with going from the actual headcount at 12/31/2021 to the projected head count for 2023.
  - f. If different than the amounts provided in response to parts c and d above, please provide those amounts in (1) O&M payroll and (2) total payroll, and explain the difference.
  - g. Do the FPUC headcount figures that were provided in the response to OPC Interrogatory No. 30 include any non-Florida gas utility work force positions? If so, please explain and identify the non-Florida gas utility work force positions that are included for each month.

**Company Response:**

- a. As requested in OPC Interrogatory No 30a, the headcount figures only included actual positions and did not include any authorized but unfilled positions.
- b. 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. 128 (a-g), cont.

2022 Calculated FPUC Headcount

<u>Employee Type</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>
Hourly	68.48	69.90	73.75	75.35	72.69	74.04
Salaried	95.02	97.51	99.83	98.41	96.35	95.95
Union	56.13	56.01	53.25	54.24	57.07	55.73
Grand Total	219.63	223.41	226.83	228.01	226.10	225.72

c. The amount of annualized O&M payroll associated with the actual headcount at 12/31/2021 is \$16,988,388. The annualized payroll at December 2021 does not include new positions added in the projected test year.

d. The amount of O&M payroll associated with the projected headcount for 2023 is \$17,900,960.

e. The amount of annualized O&M payroll associated with actual headcount at 12/31/2021 is \$16,988,388. The projected headcount for 2023 is \$17,900,960 which represents an increase of \$912,572 over the annualized 12/31/2021 O&M payroll. The projected payroll expense increase for 2023 compared to 2021 is due to new positions added and the applicable trend factor.

f. Not applicable.

g. The Company objects to this question because it is unclear what is meant by "non-Florida gas utility" workforce. The Company does not charge payroll based on physical location of the employees. Payroll is distinguished by department which enables us to split out corporate and business unit payroll. However, corporate employees can be located in Florida or other parts of the country and be allocated to Florida gas companies. Business unit payroll includes some operation employees that spend 100% of their time on Florida gas utilities but there are other business unit employees that have duties related to either gas utilities outside of Florida or other regulated or non-regulated companies in Florida. Examples of these are certain accounting and financial analysis employees, marketing and sales employees and engineering employees that have duties that cross the Florida gas boundaries. In answering interrogatory 30, the headcount was determined based on each person's allocated salaries that were charged to the Florida gas utilities. If an employee was charged 100% to a Florida gas company they were counted as 1. If an engineer does work on a gas utility in Florida for 30% of his time, the headcount was increased by .3. By using this methodology, the Company believes that

Interrogatory No. 128 (a-g), cont.

the answer to OPC's Interrogatory No. 30 accurately represents the positions related to the Florida gas utilities.

***Respondent: Michael Galtman***

Interrogatory No. 129 (a-e)

129. Bonus, Incentive Pay, Commissions, Signing Bonuses and Severance. Please refer to the Company's response to OPC Interrogatory subparts 30c, d, e and f. The response states that: "Other includes Bonus & Incentive Pay, Commissions, Signing Bonuses and Severance." For each "Other" amount please provide a breakout showing the separate amounts for each of the following:

- a. Bonus,
- b. Incentive Pay,
- c. Commissions,
- d. Signing Bonuses, and
- e. Severance.

**Company Response:**

Please see the accompanying Excel file titled "Confidential OPC ROG 129 Payroll Dollars\_OtherDetail"(Confidential). Each of the items above have been shown individually. Each is identified as if the amounts were expensed (Exp) or have gone through our sub-ledger (SL). Please also find a reconciliation to the original amounts provided for "Other".

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

Please be aware that Bonus & Incentive pay have intentionally been combined as the terms are commonly used interchangeably.

***Respondent: Michael Galtman***



Interrogatory No. 130 (a-b)

130. Commissions. Please refer to the response to OPC Interrogatory No. 30.

a. Explain the circumstances under which the Company is paying employees commissions.

b. Identify and explain the types of transactions where commissions would be paid. Include with your explanation a discussion of how the commission generating transactions are related to the provision of gas utility service.

**Company Response:**

- a. The only employees that receive commissions are employees in our sales department. When a new natural gas customer is acquired, commissions are earned. Please refer to the attached file “OPC ROG 130 2022 Sales Compensation Plan“ for additional details.
- b. Please refer to the attached file “OPC ROG 130 2022 Sales Compensation Plan“ for the details of the sales commission plan. The commissions are employee incentives for generating new gas customers and company growth.

***Respondent: Devon Rudloff***

Interrogatory No. 131 (a-e)

131. Please identify the amounts for each of the following types of other compensation that the Company has included in 2023 test year expense, in total, and by account:

- a. Bonuses,
- b. Incentive Pay,
- c. Commissions,
- d. Signing Bonuses and
- e. Severance.

**Company Response:**

Our response to ROG 131 does not include stock based compensation paid to the members of the Board of Directors as that is recorded to a separate general ledger account.

In Total:

	<b>Projection 2023</b>
Bonus/Incentive Pay	3,438,447
Commissions	257,733
Signing Bonus	47,721
Severance	57,347
<b>Total</b>	<b><u><u>\$ 3,801,248</u></u></b>

Interrogatory No. 131 (a-e), cont.

By Account:

	<u>2023</u>
<b>Bonus/Incentive Pay</b>	
903	19,380
925	7,546
870	1,776
871	51,307
885	161
901	55,325
920	<u>3,302,952</u>
<b>Sub-Total</b>	<b>3,438,447</b>
 <b>Commissions</b>	
912	257,733
 <b>Signing Bonus</b>	
920	47,721
 <b>Severance</b>	
920	57,347
 <b>Total</b>	 <b><u><u>\$ 3,801,248</u></u></b>

*Respondent: Michael Galtman*

Interrogatory No. 132 (a-f)

132. Please refer to the response to OPC Interrogatory No. 32.
- Identify the amount of annualized O&M payroll dollars that are associated with the 224.47 positions as of April 2022.
  - Identify the amount of annual O&M payroll dollars that are associated with the 233.43 projected headcount for calendar 2022.
  - Identify the amount of annual O&M payroll dollars that are associated with the 239.60 positions projected for the 2023 test year.
  - Identify the amount of annualized O&M payroll dollars that are associated with the actual work force positions as of June 30, 2022 and identify the number of actual hourly, salaried, union and total positions at 6/30/2022.
  - Identify by job title the additional positions that are projected to be added after 6/30/2022 to get to the projected 2023 work force levels.
  - Identify the amounts of O&M payroll is projected to be added after 6/30/2022 to get to the projected 2023 work force levels.

**Company Response:**

- The amount of annualized O&M payroll dollars associated with the 224.47 positions as of April 2022 is \$17,746,599.
- The amount of annual O&M payroll dollars that are associated with the 233.43 projected headcount for calendar 2022 is \$16,678,407.
- The amount of annual O&M payroll dollars that are associated with the 239.60 projected headcount for calendar 2023 is \$17,900,960.
- The amount of annualized O&M payroll dollars associated with the actual workforce positions as of June 30, 2022 is \$17,036,250.

	<b>Actual</b>
	<b>6/30/2022</b>
Hourly	74.04
Salaried	95.95
Union	55.73
<b>Grand Total</b>	<b>225.72</b>

Interrogatory No. 132 (a-f), cont.

- e. The 6/30/2022 actual headcount totals 225.72. In the projection ending 12/31/2023, there are 14.78 FL natural gas additional positions not in 6/30/2022 actual headcount. Including the additional 14.78 positions, the 12/31/2023 total will be 240.50, which is .48 positions higher than as submitted in OPC ROG 32 12/31/2023 projection. The job titles are listed below.

Job Title	12/31/2023 CPK Total Headcount	12/31/2023 Allocated FL NG Headcount
Accountant I	1	0.21
Business Transformation Analyst	1	0.32
CIS Architect	1	0.23
Customer Care Service Rep	2	1.45
Customer Service Rep.	2	1.41
Customer Service Supv.	1	0.72
Cyber Security Administrator	1	0.18
Dir, Internal Audit	1	0.23
Director, BIS Service	1	0.17
Director, Tax	1	0.21
Distribution Tech I	1	0.74
Distribution Tech II	1	0.83
Engineer	2	0.33
Engineering Clerk	1	0.76
Financial System Admin	1	0.20
Gas Utility Worker	1	0.89
Help Desk Supervisor	1	0.20
HR and Payroll System Analyst	1	0.21
Manager, Regulatory Affairs Distribution	1	0.28
Measurement Tech. II	1	0.78
Meter Reader	1	0.43
Meter Reader/Collector	1	0.87
Operations Assistant I	1	0.43
Operations Tech II	1	0.72
Operations Tech III	1	0.72
Payroll Specialist	1	0.18
Reg & Govt Affairs Mgr	1	0.20
Safety Comp. & Training Coord.	1	0.17
Safety Director	1	0.22
Service Technician II	1	0.50
<b>Grand Total</b>	<b>33</b>	<b>14.78</b>

- f. The amount of O&M payroll projected to be added after 6/30/2022 to get to the projected 2023 work force levels is \$864,710 (2023 projected \$17,900,960 less 6/30/2022 annualized \$17,036,250) which includes merit increases as well as payroll on additional headcount.

*Respondent: Michael Galtman*

Interrogatory No. 133 (a-c)

133. Test year projected positions. Please refer to the responses to OPC Interrogatories Nos 30, 32 and 37.
- a. Please reconcile (1) the 493 employee positions who charge time or are allocated to Florida natural gas operations by December 31, 2023 from the response to OPC Interrogatory No. 37 with (2) the 239.60 projected 2023 positions listed in the response to OPC Interrogatory No. 32.
  - b. Please also reconcile (1) the 493 employee positions who charge time or are allocated to Florida natural gas operations by December 31, 2023 from the response to OPC Interrogatory No. 37 with (3) the 240.82 positions for December 2023 for FPUC headcount listed in the response to OPC Interrogatory No. 30b.
  - c. In your responses to subparts a. and b., please identify, quantify and explain each reconciling difference.

**Company Response:**

- a. OPC ROG 37 included the total number of employees/positions who charge time or are allocated to Florida natural gas operations. In this response, each position is counted as 1 position. By December 2023, there are a total of 493 projected employees/positions who are doing some work for Florida Natural Gas operations. OPC ROG 32 is the January through December 2023 monthly average of the allocated percentage of each of the 493 positions which totals 239.60. For example, if 50% of a person's salary is allocated to the gas divisions, they would be counted as 0.5 of a position.
- b. As discussed in response a, OPC ROG 37 included the total number of employees/positions who charge time or are allocated to Florida natural gas operations. In this response, each position is counted as 1 position. By December 2023, there are a total of 493 projected employees/positions. OPC ROG 30 is projected December 2023 ending allocated percentage of each of the 493 positions which totals 240.02. OPC ROG 30b was submitted as 240.02, not 240.82 as mentioned in the question.
- c. The details presented in OPC ROG 37 includes the total number of employees who have time allocated to the Company in the projected test year 2023. This includes employees who are charged completely to the Florida natural gas divisions and those who have a

Interrogatory No. 133 (a-c); cont.

portion of their time allocated for services provided to the Florida natural gas divisions. In OPC ROG 32, the employee count is a calculated FTE number which includes employees who are fully charged to the Florida natural gas divisions and the fractional percentage of employees who are allocated. As a result, the gross number of employees (493) included in ROG 37 are reduced to a calculated number of employees (240) after considering allocated time in ROG 32.

***Respondent: Michael Galtman***

Interrogatory No. 134 (a-p)

134. Incentive compensation and ROE, growth and Chesapeake Utilities financial target. Please refer to the response to OPC Interrogatory No. 38, 2019-20 FPU IPP Plan, pages 5 and 6 of 6 and to the 2021 IPP Plan (5 pages) and to the response to OPC Interrogatory No. 41.
- a. Referring to the response to OPC Interrogatory No. 38, 2019-20 FPU IPP Plan, page 5, how is the ROE range of 8.8% to 10.7% determined?
  - b. What is the relationship between the ROE used for incentive compensation plan purposes and the ROE authorized for regulatory purposes?
  - c. What is the relationship between the ROE that is (or will be) used for incentive compensation plan purposes and the ROE that FPUC is requesting in the current rate case?
  - d. Referring to the “Growth 3 Year Average” figures of 8.0% to 12.0% listed at OPC Interrogatory No. 38, 2019-20 FPU IPP Plan, page 5 of 6, please explain specifically what metric (e.g., revenue dollars, utility rate base, customers, gas sales, etc.) is being measured in this Growth metric.
  - e. OPC Interrogatory No. 38, 2019-20 FPU IPP Plan, page 5 of 6 also refers to a “Chesapeake Utilities financial target.” Please identify the Chesapeake Utilities corporate financial target that was the basis for the incentive compensation in each year, 2016 through 2021 and the current Chesapeake Utilities corporate financial targets for 2022 and 2023.
  - f. Identify and explain each “Customer Centric” goal that is part of the incentive compensation plan.
  - g. What specifically is used to measure achievement of the “Corporate (EPS)” goals?
  - h. What are the specific “Corporate (EPS)” goals for 2021, 2022 and 2023?
  - i. What specifically is used to measure achievement of the EBIT goals?
  - j. What are the specific EBIT goals for 2021, 2022 and 2023?
  - k. What specifically is used to measure achievement of the ROE goals?
  - l. What are the specific ROE goals for 2021, 2022 and 2023?



Interrogatory No. 134 (a-p); cont.

- m. What specifically is used to measure achievement of the Investment Growth goals?
- n. What are the specific Investment Growth goals for 2021, 2022 and 2023?
- o. In the 2021 plan, what specifically is used to measure achievement of the Corporate EPS goal, and what was the target and achieved Corporate EPS for 2021?
- p. In the 2021 plan, what specifically is used to measure achievement of the Consolidate ROE goal, and what was the target and achieved Consolidated ROE for 2021?

**Company Response:**

**OPC eliminated this question.**

***Respondent: Michael Galtman***

Interrogatory No. 135 (a-e)

135. Incentive compensation and stock based compensation. Please refer to the response to OPC Interrogatories Nos. 42 and 43.

- a. Has the Company included \$2,180,201 for incentive compensation in 2023 test year O&M expense?
- b. If the response to subpart a. is “no,” identify the amounts of O&M expense included in the 2023 test year for incentive compensation in total and for non-executive and executive incentive compensation separately.
- c. Has the Company included \$2,206,396 for stock based compensation in 2023 test year O&M expense?
- d. If the response to subpart c. is “no,” identify the amount of O&M expense included in the 2023 test year for stock based compensation in total and for non-executive and executive incentive compensation separately.
- e. Are the amounts for stock based compensation that are listed in the response to OPC Interrogatory No. 43 in addition to the amounts that are listed for incentive compensation in response to OPC Interrogatory No. 42? If not, please explain fully and identify separately the amounts of (1) incentive compensation included in 2023 test year O&M expense and (2) amounts of stock based compensation included in 2023 test year O&M expense that are beyond the incentive compensation amounts identified in response to e(1) of this request.

**Company Response:**

- a. Yes, the company has included \$2,180,201 for incentive compensation in 2023 test year O&M expense.
- b. Not applicable.
- c. No.
- d. The company has included \$1,206,396 for executive stock-based compensation in the 2023 test year O&M expense per OPC\_ROG\_43. The company has included \$169,107 for board of directors stock based compensation in the 2023 test year O&M expense per OPC\_ROG\_43.

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- e. Yes, the projected 2023 executive stock-based compensation of \$1,206,396 O&M expense as well as the Board of Directors stock-based compensation \$169,107 in ROG 43 are in addition to the projected 2023 incentive compensation of \$2,180,201 O&M expense in ROG 42.

***Respondent: Michael Galtman***

Interrogatory No. 136 (a-c)

136. Board of Directors Stock Based Compensation. Referring to the amounts of Chesapeake board of directors stock based compensation that were listed in the response to OPC Interrogatory No. 43:

- a. Do the members of the Chesapeake board of directors receive other compensation besides the stock based compensation?
- b. If the answer to subpart a. is “yes,” identify the comparable amounts of non-stock based compensation for the board of directors for each year, 2016 through 2021 actual and projected for each year 2022 and 2023.
- c. Does the payment of stock based compensation to the members of the Chesapeake board of directors serve to better align the interests of those directors with the interests of Chesapeake stockholders? If not, explain fully why not.

**Company Response:**

- a. Yes, the members of the Chesapeake board of directors receive other compensation besides the stock based compensation.
- b. The members of the Chesapeake board of directors receive cash compensation.

		BOD Cash Compensation	
	2016	\$	251,248
	2017	\$	220,240
	2018	\$	209,092
	2019	\$	166,525
	2020	\$	158,035
	2021	\$	190,293
Projection	2022	\$	201,483
Projection	2023	\$	207,743

c. Yes, the Company believes that its stock compensation program for its non-employee directors considers market trends and best practices for aligning compensation with our business strategy and overall objectives, as well as promoting a pay-for-performance culture. This is observed through the high level of engagement the Company’s board members have with Management across the organization as well as, through the insights and recommendations they provide through the various committees they oversee and participate on (Governance, Compensation, Investment and Audit). Additionally, establishing an appropriate compensation program for non-employee directors, also serves to attract and retain qualified candidates with

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the necessary experience and skillsets to provide oversight and governance around the changing environment that all of the Company's business units are impacted by, which ultimately benefits the Florida natural gas customers.

***Respondent: Michael Galtman***

Interrogatory No. 137

137. SERP. Please refer to the responses to OPC Interrogatories Nos. 44 and 46. Please confirm that all dollar amounts listed for SERP expenses in those responses are in ones, rather than thousands (\$000).

**Company Response:**

Yes, all amounts submitted in connection to OPC Interrogatories Nos. 44 and 46 were provided in ones. At present, the Company's SERP plan only consists of four participants and is not anticipated to include any additional participants in the future.

***Respondent: Michael Galtman***

Interrogatory No. 139 (a-f)

139. Rent. Please refer to the response to OPC POD No. 56.

- a. Explain the common area maintenance and rent tax that produces the additional expense of \$39,678.
- b. Identify the originally filed and, if different, the corrected amount of rate case expense that the Company is proposing to include in rate base.
- c. Is the Company aware of any Commission decisions that have disallowed the inclusion of rate case expense in rate base? If so, please identify all such decisions of which the Company is aware.
- d. Show in detail the reserve balance for self-insurance for each month of 2021 and 2022 through June and for each projected month July 2022 through December 2023.
- e. Explain fully and in detail how the reserve for self-insurance could become “over projected.”
- f. Has the Company included any amount for “over projected” (or under projected) self-insurance in rate base? If so, identify the amount and show in detail how it was calculated.

**Company Response:**

- a. The common area maintenance is the cost and expenses paid or incurred by the Landlord for the expenses for maintaining and operating the common areas such as sanitary control, trash, garbage, parking area line painting and lighting. The rent tax is the sales tax imposed on the lease and the Company is responsible in accordance with the lease agreement. In the course of responding to OPC ROG 113, the company discovered that the common area maintenance and rent tax expenses were not included in 2023 projection. The common area maintenance and rent tax expenses are in the 2021 historic year.
- b. The projected deferred rate case expense included in rate base in the original filing is one-half (50%) of the total projected rate case expense of \$3,743,911 (per MFR schedule G1 page 5) which is \$1,871,956. The corrected amount should be

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one-half (50%) of \$3,427,574 (per MFR schedule C-13) which is \$1,713,787. Therefore the adjustment between the original filing and the corrected amount is \$158,169.

- c. The Company is not aware of any Commission decisions that have disallowed the inclusion of rate case expense in rate base. However, in FPU's prior rate cases for natural gas (Docket No. 20040216-GU and 19940620-GU) and electric (Docket No. 20070304-EI), the Commission allowed one-half of the unamortized rate case expense to be included in the working capital calculation. The Company has made a similar adjustment already in this rate case.
- d. Please refer to the attached file "OPC ROG 139d Self-Insurance Reserve".
- e. The amount included in response to OPC POD 56 for self-insurance reserve is correct. However, the description should have said "under projection" instead of "over projection". In addition, since the reserve balance is estimated in the revision to be under recovered and the estimate for the cost we will incur is \$276,972 annually, we should have also requested an amortization of the under recovery of \$97,150. This amount divided by the 60 months that we estimate between rate cases would amount to an additional expense of \$1,619 a month to eliminate the under recovery of the reserve. Our projection of expenses is therefore understated.
- f. Please refer to the response in letter "e" above of this interrogatory.

***Respondent: Michelle Napier***



Interrogatory No. 140 (a-e)

140. Major storms. Please refer to the response to OPC Interrogatory No. 56.

- a. Show in detail all analysis that went into the Company defining a “major storm” as a storm that costs in excess of \$5,000.
- b. During 2016 through 2022 has the Company had any storms that cost more than \$25,000? If so, identify each such storm, the approximate dates and the total cost.
- c. During 2016 through 2022 has the Company had any storms that cost more than \$50,000? If so, identify each such storm, the approximate dates and the total cost.
- d. During 2016 through 2022 has the Company had any storms that cost more than \$100,000? If so, identify each such storm, the approximate dates and the total cost.
- e. If a threshold of \$100,000 as the definition for “major storm” were to be applied (rather than the \$5,000 used by the Company) how would that impact the amounts that the Company is claiming in the 2023 test year rate base and operating expenses? Explain fully and in detail.

**Company Response:**

- a. If the service territory is hit by a storm that causes damage, a work order is set up as a storm work order. If the storm is named, it is considered a major storm. If the costs exceed \$5,000, they are closed to the storm reserve. If not, they are expensed. Hurricane Dorian costs were accumulated for the Central Florida Gas division but they do not have a storm reserve so those costs were expensed.
- b. As shown in the response to Citizen’s Interrogatory 56, yes, two storms that were in the FPUC service territory exceeded \$25,000, Hurricane Matthew and Irma. The dates and cost are shown in the response to Interrogatory 56. Total costs for FPUC and Central Florida Gas for Dorian exceeded the \$25,000 but only the FPUC costs were charged to the storm reserve since Central Florida Gas does not have a reserve.
- c. As shown in the response to Citizen’s Interrogatory 56, yes, two storms that were in the FPUC service territory exceeded \$50,000, Hurricane Matthew and Irma. The dates and cost are shown in the response to Interrogatory 56.

Interrogatory No. 140 (a-e)

- d. As shown in the response to Citizen's Interrogatory 56, yes, Hurricane Matthew's costs exceeded \$100,000. The dates and cost are shown in the response to Interrogatory 56.
- e. The Company believes it has appropriately charged storm costs based on its internal procedures and Rule 25-7.01.43 F.A.C. and that retroactively adjusting these costs for prior years because of a change in classifying major storms, if approved by the Commission, should only be considered for future periods. However, if the Commission were to approve a retroactive treatment, based on the response to Citizen's Interrogatory 56, \$106,694 would have to be removed from the storm reserve and written off to operating expenses in 2023. Since this would be a non-recurring entry, the Company would ask for recovery over the five years that rates would be in effect or \$21,339 a year less taxes. Rate base would decrease by \$98,587 for the change to working capital  $((\$106,694 * 12) / 13)$ .

***Respondent: Michael Galtman***

Interrogatory No. 141 (a-b)

141. Injuries and Damages. Please refer to the response to OPC Interrogatory No. 59.

- a. Please break out the amounts listed for each year into (1) insurance premiums and (2) amounts paid for deductibles and (3) amounts paid for self-insurance.
- b. Do any of the amounts paid for deductibles or self-insurance listed for any year included any costs for “major storms” (as the Company has defined “major storms” in its response to OPC interrogatory 56)? If so, identify the amounts in each year for major storms that are included in the Injuries and Damages amounts that were listed in the response to OPC Interrogatory No. 59.

**Company Response:**

- a. The amounts provided in response to OPC ROG 59 only represent deductibles paid by the Company for insurance claims. These amounts are charged against the Self Insurance Reserve.
- b. The amounts provided in response to OPC ROG 59 do not include any costs for “major storms”.

***Respondent: Noah Russell***

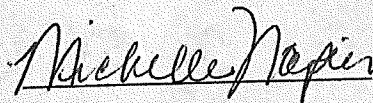
In re: Petition for rate increase by Florida ) Docket No. 20220067-GU  
Public Utilities Company, Florida Division of )  
Chesapeake Utilities Corporation, Florida )  
Public Utilities – Fort Meade and Florida )  
Public Utilities – Indiantown Division ) Filed:  
)

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**DECLARATION**

I hereby certify and affirm that I sponsored the Company's responses to CITIZENS' THIRD SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY, Nos. 139 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 Napier, Declarant

Dated: 08/15/22

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DECLARATION

I hereby certify and affirm that I sponsored the Company's responses to CITIZENS' THIRD SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY, Nos. 124, 126-129, 131-133, 135-138, 140 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: 8/15/22

Public Utilities Company, Florida Division of )

Chesapeake Utilities Corporation, Florida )

Public Utilities Fort Meade and Florida )

Public Utilities Indiantown Division )

) Docket No. 20220067-GU1

)

)

)

) Filed:

)

DECLARATION

I hereby certify and affirm that I sponsored the Company's responses to CITIZENS' THIRD SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY, Nos. 130 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: 8/15/2022

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

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

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**DECLARATION**

I hereby certify and affirm that I sponsored the Company's responses to CITIZENS' THIRD SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY, Nos.141-142 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 Russell, Declarant

Dated: 8/15/2022

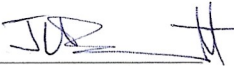
**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**  
**20220067-GU Staff Hearing Exhibit 00433**

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

**DECLARATION**

I hereby certify and affirm that I sponsored the Company's responses to CITIZENS' THIRD SET OF INTERROGATORIES TO FLORIDA PUBLIC UTILITIES COMPANY, Nos. 123 and 125 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.

  
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Jason Bennett, Declarant

Dated: 8/2/22