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July 7, 2025

**VIA E-PORTAL**

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

**Re: Docket No. 20250010-EI: Storm protection plan cost recovery clause.**

Dear Mr. Teitzman:

Attached for filing, please find Florida Public Utilities Company's Revised Testimony of P. Mark Cutshaw, replacing testimony originally filed May 1, 2025.

Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions whatsoever.

Sincerely,



Beth Keating  
Gunster, Yoakley & Stewart, P.A.  
215 South Monroe St., Suite 601  
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MEK

Attachment

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1                                    **Before the Florida Public Service Commission**

2                                    Direct Testimony of P. Mark Cutshaw

3                                    (Revised Actual/Estimated and Projection)

4                                    On Behalf of

5                                    Florida Public Utilities Company

6                                    Docket 20250010-EI: Storm Protection Plan Cost Recovery Clause

7  
8    **I.    INTRODUCTION**

9  
10   **Q.    Please state your name and business address.**

11   **A.**    My name is P. Mark Cutshaw. My business address is 780 Amelia Island Parkway,  
12          Fernandina Beach, Florida 32034.

13   **Q.    By whom are you employed?**

14   **A.**    I am employed by Florida Public Utilities Company (“FPUC” or “Company”).

15   **Q.    Could you give a brief description of your background and business experience?**

16   **A.**    I graduated from Auburn University in 1982 with a B.S. in Electrical Engineering. My  
17          electrical engineering career began with Mississippi Power Company in June 1982. I spent  
18          nine years with Mississippi Power Company and held positions of increasing responsibility  
19          that involved budgeting, as well as operations and maintenance activities at various  
20          locations. I joined FPUC in 1991 as Division Manager in our Northwest Florida Division  
21          and have since worked extensively in both the Northwest Florida and Northeast Florida  
22          divisions. Since joining FPUC, my responsibilities have included all aspects of budgeting,

customer service, operations and maintenance. My responsibilities have also included involvement with Cost of Service Studies and Rate Design in other rate proceedings before the Commission, as well as other regulatory issues. During January 2024, I moved into my current role as Manager, Electric Operations.

**Q. Have you previously testified before the Commission?**

**A.** Yes, I've provided testimony in a variety of Commission proceedings, including the Company's 2014 rate case, addressed in Docket No. 20140025-EI, rebuttal testimony in Docket No. 20180061-EI, testimony in Docket No. 20190156-EI for the Limited Proceeding to recover storm costs incurred as a result of Hurricane Michael and numerous dockets for Fuel and Purchased Power Cost Recovery. Most recently, I provided testimony in the Storm Protection Plan Dockets No. 20250017-EI and No. 20240010-EI.

## **II. PURPOSE AND SUMMARY OF TESTIMONY**

**Q. What is the purpose of your direct testimony in this proceeding?**

**A.** The purpose of my direct testimony is to support the Company's request for recovery of Storm Protection Plan ("SPP") program costs associated with FPUC's Transmission and Distribution system for January 2025 through December 2025, as well as revisions for January 2026 through December 2026, through the Storm Protection Plan Cost Recovery Clause ("SPPCRC"), pursuant to Rule 25-6.031, F.A.C and stipulations approved in Docket No. 20250017-EI. My testimony supports the year to date costs in 2025, projected remaining expenditures through December 2025, estimated costs in 2026, and shows how

these are consistent with the revised FPUC Storm Protection Plan approved in Docket 20220017-EI.

**Q. Are you sponsoring any exhibits in this proceeding?**

**A.** Yes. I am co-sponsoring Exhibit JH-1 included in the testimony by Witness Jessica Husted and did personally prepare Form 8-E contained in this exhibit.

**Q. Please provide a summary of your testimony.**

**A.** FPUC filed its first SPP in April 2022, which was approved, with modifications, by Order No. PSC-2022-0387-FOF-EI, issued November 10, 2022. FPUC's Final True Up for 2024 is based on the January 2024 through December 2024 calendar year. Overall, FPUC's approved SPP intentionally contained a methodical ramp up of investments that allows for the acquisition of resources, initiation of design activities, and the refinement of projects in the early years of the plan. FPUC's focus in 2025 is to continue to execute on the "ramp up" methodology mentioned above and then begin to stabilize the program in 2026 going forward. FPUC's SPP introduced new programs for which project design activities began in 2022/2023, carried over into 2024 and will stabilize during the years 2025 and 2026. Design, material acquisition and construction activities associated with these projects continue during these years as FPUC continues to execute in alignment with its previously approved SPP.

**III. 2025 OVERVIEW OF THE ACTUAL/PROJECTED SPP PROJECT COSTS AND VARIANCES**

**Q. Under which SPP programs will FPUC incur costs during calendar year 2025?**

1    **A.**    FPUC expects to incur costs for the Distribution Overhead Feeder Hardening, Distribution  
2           Overhead Lateral Hardening, Distribution Overhead Lateral Undergrounding, Distribution  
3           Pole Inspection & Replacement, Transmission Inspection & Hardening, and the  
4           Transmission & Distribution Vegetation Management programs during calendar year  
5           2025.

6    **Q.**    **Please describe how the 2025 current actual/estimated expenditures compare with the**  
7           **previously projected 2025 approved expenditures for the Distribution Overhead**  
8           **Feeder Hardening program?**

9    **A.**    FPUC's current actual/estimated 2025 expenditures are approximately \$7.35M compared  
10          to the previously projected amount of \$4.21M, which is a variance of \$3.14M. This  
11          variance is due to additional resources added in the second half of 2024 as part of the  
12          continued ramping up of the previously engineered projects. This also is due in part to  
13          adjustments in unit cost projections performed during late 2024 in line with acquired  
14          Program to date experience.

15   **Q.**    **What is the reason for the stabilization of 2026 project identification?**

16   **A.**    Identification of projects for 2026 has reached a point that we are able to begin to stabilize  
17          the growth of projects which can support the effective continuation of the SPP. Project  
18          design activities will continue, allowing for systematic material procurement orders  
19          allowing for the start of planned project construction activities the following year.

20   **Q.**    **Please describe how the 2025 current actual/estimated expenditures compare with the**  
21          **previously projected 2025 approved expenditures for the Distribution Overhead**  
22          **Lateral Hardening program?**

FPUC Storm Protection Plan Cost Recovery (SPPCRC)

1    **A.**    FPUC's current actual/estimated 2025 expenditures are approximately \$5.94M compared  
2           to the previously projected amount of \$4.87M which represents a variance of \$1.07M. This  
3           variance is due in part to the continued ramping up of previously engineered projects and  
4           acquisition of materials that allow an increase in Overhead Lateral Hardening projects.  
5           This also is due in part to adjustments in unit cost projections performed during late 2024  
6           in line with acquired Program to date experience.

7    **Q.**    **Please describe how the 2025 current actual/estimated expenditures compare with the**  
8           **previously projected 2025 approved expenditures for the Distribution Overhead**  
9           **Lateral Undergrounding program?**

10   **A.**    FPUC's current actual/estimated 2025 expenditures are approximately \$6.23M compared  
11           to the previously projected amount of \$5.98M, which is a variance of \$.25M. This  
12           variance is due in part to the carryover of projects into 2025 and also due in part to  
13           adjustments in unit cost projections performed during late 2024 in line with acquired  
14           Program to date experience.

15   **Q.**    **Please describe how the 2025 current actual/estimated expenditures compare with the**  
16           **previously projected 2025 approved expenditures for the Distribution Pole Inspection**  
17           **& Replacement program?**

18   **A.**    FPUC's current actual/estimated 2025 expenditures is approximately \$.75M compared to  
19           the previously projected amount of \$0.24M, which is a negative variance of \$.51M. This  
20           variance is mostly due to an error in the calculation of previously reported 2025 projected  
21           costs.

1 **Q. Please describe how the 2025 current actual/estimated expenditures compare with the**  
2 **previously projected 2025 approved expenditures for the Transmission Inspection &**  
3 **Hardening program?**

4 **A.** FPUC's current actual estimated 2025 expenditures are approximately \$1.59M compared  
5 to the previously projected amount of \$2.45M, which is a variance of \$.86M. This  
6 variance is due in part to stabilization of engineering, procurement, and construction  
7 activities during the first few years of the program.

8 **Q. Please describe how the 2025 current actual/estimated expenditures compare with the**  
9 **previously projected 2025 approved expenditures for the Transmission &**  
10 **Distribution Vegetation Management program?**

11 **A.** FPUC's current actual/estimated 2025 expenditures is approximately \$2.63M compared to  
12 the previously projected amount of \$2.70M which represents a variance of \$.07M. This is  
13 a continuation of the third year of the transition from a three-year feeder trim cycle and six-  
14 year lateral trim cycle to a four-year trim cycle on all overhead primary transmission and  
15 distribution lines. The variance is mostly due to a change in vegetation management  
16 contractor resources needed to improve efficiency moving forward.

17 **Q. Please describe how the 2025 current actual/estimated expenditures compare with the**  
18 **previously projected 2025 approved expenditures for FPUC's entire Storm**  
19 **Protection Plan program?**

20 **A.** FPUC's current actual/estimated 2025 expenditures are \$24.49M compared to the  
21 previously projected amount of \$20.44M, which is a variance of \$4.05M. As mentioned  
22 above, as well as in my earlier testimony filed as part of the prior year true-up portion of  
23 this Docket, FPUC has continued to ramp up the SPP Programs due to previously designed

1 projects and has improved the acquisition of materials that has allowed the escalated  
2 expenditures which will catch up on projects not completed in previous years.  
3 Additionally, adjustments in initial cost estimating assumptions were performed as FPUC  
4 gained experience in executing these SPP projects. Assumption validation and adjustments  
5 are an on-going part of the active management of the SPP and are necessary to ensure the  
6 most up to date cost estimates are reflected. The work associated with the SPP will begin  
7 to stabilize during 2026 and continue with similar construction amounts each following  
8 year.

9 **Q. Does FPUC anticipate any future issues and what is being done to mitigate these?**

10 **A.** Though difficult to say for certain what challenges may arise, thus far FPUC has realized  
11 that labor resources and supply chain issues have had a large impact on the accomplishment  
12 of goals within the SPP. FPUC continues to work towards building a number of  
13 engineering projects to stay ahead of supply chain challenges in the market today. Based  
14 on activities in 2025, it appears that impacts from the supply chain and labor resources are  
15 reduced compared to previous years which should assist with project completions.

16  
17 **IV. 2026 OVERVIEW OF THE PROJECTED SPP PROJECT COSTS AND**  
18 **VARIANCES**  
19

20 **Q. Under which SPP programs will FPUC incur costs during calendar year 2026?**

21 **A.** The Company will incur costs associated with the Distribution Overhead Feeder  
22 Hardening, Distribution Overhead Lateral Hardening, Distribution Overhead Lateral  
23 Undergrounding, Distribution Pole Inspection & Replacement, Transmission Inspection &



Hardening, and the Transmission & Distribution Vegetation Management Programs during 2026.

**Q. Does FPUC anticipate any changes in the scope or projected cost for 2026 compared to what is discussed above for 2025?**

**A.** No, FPUC anticipates that project scope for 2026 will be consistent with what will have occurred during 2025 and contained within the approved SPP. However, during 2026, FPUC is projecting total SPP expenditures of \$21.30M compared to a projected expenditure in 2026 of \$13.44M against original SPP projections included in Docket 20220049-EI. This variance is due in part to adjustments approved in the SPP Docket No. 20250017-EI and changes in unit cost projections performed during late 2024 in line with acquired SPP experience to date across all Programs. Additionally, the expansion of construction resources from the original 2022 filing to accommodate the stabilization of investments expected as we enter 2026 is contributing to this variance.

**V. SUMMARY**

**Q. Are the programs included for 2025 and 2026 consistent with FPUC's approved SPP?**

**A.** Yes. The programs and activities are consistent with FPUC's revised SPP which was approved by Order No. PSC-2022-0387-FOF-EI in Docket No. 20220049-EI. Associated cost estimates for each program are detailed in the table below.

FPUC Storm Protection Plan Cost Recovery (SPPCRC)

FPUC's 2022-2026 Estimated Storm Protection Plan Costs by Program (in Millions)							
		2022 Actual	2023 Actual	2024 Actual	2025 Estimated	2026 Estimated	
Distribution - OH Feeder Hardening	Capital	\$ 0.21	\$ 4.06	\$ 7.12	\$ 7.21	\$ 5.67	
	O&M	\$ -	\$ 0.01	\$ 0.19	\$ 0.14	\$ 0.11	
	Total	\$ 0.21	\$ 4.08	\$ 7.32	\$ 7.35	\$ 5.78	
Distribution - OH Lateral Hardening	Capital	\$ 0.05	\$ 0.63	\$ 3.25	\$ 5.82	\$ 6.75	
	O&M	\$ -	\$ -	\$ -	\$ 0.12	\$ 0.14	
	Total	\$ 0.05	\$ 0.63	\$ 3.25	\$ 5.94	\$ 6.89	
Distribution - OH Lateral Underground	Capital	\$ 0.06	\$ 1.02	\$ 4.30	\$ 6.11	\$ 4.13	
	O&M	\$ -	\$ -	\$ -	\$ 0.12	\$ 0.08	
	Total	\$ 0.06	\$ 1.02	\$ 4.30	\$ 6.23	\$ 4.22	
Distribution - Connectivity and Automation	Capital	\$ -	\$ -	\$ -	\$ -	\$ -	
	O&M	\$ -	\$ -	\$ -	\$ -	\$ -	
	Total	\$ -	\$ -	\$ -	\$ -	\$ -	
Distribution - Pole Insp. & Replace	Capital	\$ -	\$ 1.98	\$ 1.01	\$ 0.62	\$ 0.50	
	O&M	\$ 0.08	\$ 0.18	\$ 0.12	\$ 0.13	\$ 0.19	
	Total	\$ 0.08	\$ 2.16	\$ 1.13	\$ 0.75	\$ 0.69	
T&D - Vegetation Management	Capital	\$ -	\$ -	\$ -	\$ -	\$ -	
	O&M	\$ 1.04	\$ 1.81	\$ 2.50	\$ 2.63	\$ 2.50	
	Total	\$ 1.04	\$ 1.81	\$ 2.50	\$ 2.63	\$ 2.50	
Transmission - Inspection and Hardening	Capital	\$ -	\$ 0.08	\$ 1.62	\$ 1.49	\$ 1.20	
	O&M	\$ -	\$ -	\$ -	\$ 0.11	\$ 0.02	
	Total	\$ -	\$ 0.08	\$ 1.62	\$ 1.59	\$ 1.22	
SPP Program Management	Capital	\$ 0.06	\$ -	\$ -	\$ -	\$ -	
	O&M	\$ 0.01	\$ -	\$ -	\$ -	\$ -	
	Total	\$ 0.07	\$ -	\$ -	\$ -	\$ -	
Totals	Capital	\$ 0.39	\$ 7.78	\$ 17.30	\$ 21.25	\$ 18.26	
	O&M	\$ 1.14	\$ 2.01	\$ 2.81	\$ 3.24	\$ 3.05	
	Total	\$ 1.52	\$ 9.79	\$ 20.11	\$ 24.49	\$ 21.30	

1

2 Q. Does this conclude your testimony?

3 A. Yes, it does.

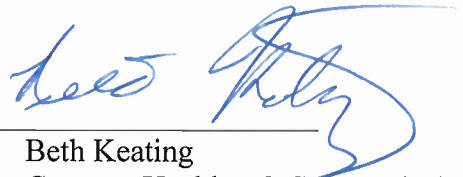
**CERTIFICATE OF SERVICE**

**I HEREBY CERTIFY** that a true and correct copy of the Revised Testimony of P. Mark Cutshaw has been furnished by Electronic Mail to the following parties of record this 7th day of July, 2025:

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By: \_\_\_\_\_

  
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