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April 1, 2026

**VIA E-PORTAL**

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

**Re: Docket No. 20260010-EI - Storm protection plan cost recovery clause.**

Dear Mr. Teitzman:

Attached for filing, please find the Direct Testimony of P. Mark Cutshaw on behalf of Florida Public Utilities Company.

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  
Tallahassee, FL 32301

1 **Before the Florida Public Service Commission**

2 Direct Testimony (True Up) of P. Mark Cutshaw

3 On Behalf of

4 Florida Public Utilities Company

5 Docket 20260010-EI: Storm Protection Plan Cost Recovery (SPPCRC)

6  
7 **I. INTRODUCTION**

8  
9 **Q. Please state your name and business address.**

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

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

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

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

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

1 involvement with Cost of Service Studies and Rate Design in other rate proceedings before  
2 the Commission, as well as other regulatory issues. During January 2025, I moved into my  
3 current role as Regional Manager, Electric Operations.

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

5 **A.** Yes, I've provided testimony in a variety of Commission proceedings, including the  
6 Company's 2014 rate case, addressed in Docket No. 20140025-EI, rebuttal testimony in  
7 Docket No. 20180061-EI, testimony in Docket No. 20190156-EI for the Limited  
8 Proceeding to recover storm costs incurred as a result of Hurricane Michael and numerous  
9 dockets for Fuel and Purchased Power Cost Recovery. Most recently, I provided testimony  
10 in the Storm Protection Plan Dockets No. 20250017-EI and No. 20250010-EI.

11

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

13

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

15 **A.** The purpose of my direct testimony is to support the Company's request for recovery of  
16 Transmission and Distribution costs for the time period January 2025 through December  
17 2025 associated with FPUC's Storm Protection Plan ("SPP") through the Storm Protection  
18 Plan Cost Recovery Clause ("SPPCRC"), pursuant to Rule 25-6.031, F.A.C. and to explain  
19 material variances between 2025 estimated and actual program expenditures.

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

21 **A.** Yes. I am co-sponsoring Exhibit AR-1 included in the testimony by Witness Alison Regan  
22 and did personally prepare Form 8-A contained in this exhibit.

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

1   **A.**   FPUC filed its first SPP in April 2022, which was approved, with modifications, by Order  
2           PSC-2022-0387-FOF-EI, issued November 10, 2022. FPUC’s initial Final True Up for  
3           2022 was therefore based on an eight month (May through December) prorated calendar  
4           year. Overall, FPUC’s SPP intentionally contained a methodical ramp up of investments  
5           that allowed for the acquisition of resources, initiation of design activities, and the  
6           refinement of projects in the early years of the plan. FPUC’s focus in 2022 was, therefore,  
7           to stand up the new SPP programs and implement approved adjustments to programs that  
8           were carried over from legacy storm hardening initiatives. During 2023, based on  
9           experience from 2022, improvements were noted and efforts resulted in a continuation of  
10          engineering design, material procurement and construction. In 2024, FPUC programs  
11          began to stabilize and FPUC made adjustments to unit cost and productivity measures  
12          based on learnings to date. 2025 marks as the first post-ramp-up period where FPUC had  
13          a stabilized workforce, supply chain, and engineering backlog to sustain projects  
14          throughout the SPP.

15

16   **III.   2025 ACTUAL SPP PROJECT COSTS AND VARIANCES**

17

18   **Q.**    **Can you please describe what was accomplished in 2025 with the incurred expense**  
19          **(O&M) and explain any significant variances against estimates provided in the SPP?**

20   **A.**    Yes. Most of the expense-related charges within the SPP were related to the Vegetation  
21          Management program. This program, along with the Distribution Pole Inspection and  
22          Replacement program, was carried over from legacy storm hardening initiatives.  
23          Additionally, there were expense costs from the Overhead Feeder Hardening, Overhead

FPUC Storm Protection Plan Cost Recovery (SPPCRC)

1 Lateral Hardening and Lateral Undergrounding programs during 2025. Costs were  
2 incurred throughout all of 2025 for all programs, some of which were partially recovered  
3 through base rates during the first two and a half months. Starting on March 21, 2025 all  
4 programs are seeking full recovery through the SPPCRC. As noted in the testimony of  
5 Witness Regan, FPUC has accounted for this to avoid double recovery. In 2025, FPUC  
6 began the second year of its 3rd 8-year inspection cycle of distribution poles and trimmed  
7 156.68 miles of overhead lines. 2025 expense cost were \$3.01M compared to the projected  
8 amount of \$3.24M. Form 4A in Exhibit AR-1 reflects a variance of \$0.23M which is  
9 mostly driven by the Vegetation Management program with a variance of \$0.26M. This  
10 reduction in expense was due in part to lower vegetation management trimmed miles than  
11 originally planned resulting from re-work necessary from prior vendor's performance that  
12 did not meet ANSI A300 Standard.

13 **Q. Can you please describe what was accomplished in 2025 with the incurred capital**  
14 **costs and explain any significant variances against estimates provided in the SPP?**

15 **A.** Yes. FPUC is committed to the effective and efficient implementation of SPP related  
16 expenditures. To ensure this occurs, and for the reasons stated above, FPUC's focus during  
17 the first three (3) years of the plan were a gradual ramp up of investments such that 2025  
18 would mark the first year of stabilized year over year investments. The 2025 capital cost  
19 were \$21.39M compared to the projected amount of \$21.25M reflecting a variance of  
20 \$0.14M (1%) above original projections, which is mostly driven by largely offsetting  
21 variances among all programs. Larger program variances were observed within the  
22 Transmission System Inspection and Hardening and Distribution Pole Inspection and  
23 Replacement programs. These variances were the result of increased number of

1 distribution pole failures and replacements than originally projected. Additionally the  
2 Transmission wood pole replacements performed in 2025 were done while the line  
3 remained energized, requiring additional labor and equipment in order to complete the  
4 work safely. During 2025, the Overhead Feeder Hardening program was able to complete  
5 designs on 10.44 miles of line and completed construction on 8.42 miles of line. The  
6 Overhead Lateral Hardening program was able to complete designs on 8.5 miles of line  
7 and completed construction on 6.95 miles of line. The Overhead Lateral Undergrounding  
8 program was able to complete designs on 6.94 miles and completed construction on 8.33  
9 miles. Also, during 2025, FPUC further calibrated unit cost projections into 2026 at the  
10 Division level which will allow for more refined initial program estimates.

11 **Q. What will be the overall impact of the \$0.14M variance for the 2025 SPP?**

12 **A.** The variance will be incorporated into the 2026 and 2027 capital projects to re-align SPP  
13 investments with the 10-year projected totals reflected in the SPP.

14 **Q. Does this conclude your testimony?**

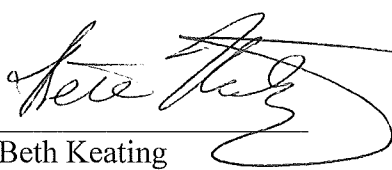
15 **A.** Yes, it does.

**CERTIFICATE OF SERVICE**

**I HEREBY CERTIFY** that a true and correct copy of the foregoing Direct Testimony of P. Mark Cutshaw has been furnished by Electronic Mail to the following parties of record this 1<sup>st</sup> day of April, 2026:

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