

Hiep Nguyen

From: Ellen Plendl
Sent: Tuesday, December 6, 2022 3:12 PM
To: Consumer Correspondence
Subject: Docket No. 20220001
Attachments: outlandish rate and fee hike proposals; Consumer Inquiry - Florida Power & Light Company

See attached customer correspondence and reply for Docket No. 20220001.

Hiep Nguyen

From: Beatrice Balboa <beatricebalboa@gmail.com>
Sent: Tuesday, December 6, 2022 2:54 PM
To: Ellen Plendl
Subject: outlandish rate and fee hike proposals
Attachments: Price hikes with Florida Power & Light.pdf; Florida Power & Light customers to see price hikes in 2023.pdf; Florida watchdog group's report raises questions about use of 'ghost candidates'.pdf; 221206.pdf; Report-Ghost-Candidate-final-12.2.2022.pdf; The Secret Behind Your Huge Winter Heating Bill _ The New Republic.pdf

Tuesday 6 December 2022 1500 hours

Ellen Plendl
Regulatory Consultant
Florida Public Service Commission
Office of Consumer Assistance & Outreach
1-800-342-3552 (phone)
1-800-511-0809 (fax)

To whom it may concern,

I am writing to express my ongoing deepest disappointment that the electrical utility industrial sector continues to mismanage the electrical infrastructure throughout the State of Florida despite given unfettered access to elected and appointed government officials and agencies in the furtherance of policies and agendas, which consist of pursuing poorly thought out sourcing of energy resources and a decidedly anti-consumer stance with the rate-paying public across the board. Ongoing investigations continue undercover the long-standing practices by these captains of industry to extract ever larger fees and electrical rates to aggrandize their oversized ambitions by direct and indirect political arrangements in backrooms.

The attached documentation clearly indicates the ongoing conditions of the electrical infrastructure in the State of Florida as well as the lengths to which these captains of industry try to influence governmental policy makers.

Please place these observations and articles in the appropriate docket to underscore the overwhelmingly calculated cold-hearted manner that these captains seem to influence the very elected/appointed representatives that should, instead, be seeking to comfort their constituents day-to-day hardships to pay for the aggrandizement of these out sized economic sectors.

Thank you for your time in these matters and hope to hear from you soon.

Sincerely,
Beatrice Balboa
1010 South Ocean Boulevard, Unit 1008
Pompano Beach, FL 33062-6631
USA

Hiep Nguyen

From: Ellen Plendl
Sent: Tuesday, December 6, 2022 3:08 PM
To: 'Beatrice Balboa'
Subject: Consumer Inquiry - Florida Power & Light Company

Ms. Beatrice Balboa
beatricebalboa@gmail.com

Dear Ms. Balboa:

This is in response to your December 6 email to the Florida Public Service Commission (FPSC) regarding Florida Power & Light Company (FPL).

We will add your feedback and the articles you shared to our public record.

If you have any questions or concerns please contact me at 1-800-342-3552 or by fax at 1-800-511-0809.

Sincerely,

Ellen Plendl
Regulatory Consultant
Florida Public Service Commission
Office of Consumer Assistance & Outreach
1-800-342-3552 (phone)
1-800-511-0809 (fax)

INSULT/INJURY

Your Huge Winter Heating Bill Could Be Funding Fossil Fuel Lobbyists

Households preparing for a 30 percent price hike may not know their dollars are going to trade associations that oppose the very changes that could reduce their bills in future.



MATT STONE/MEDIANEWS GROUP/BOSTON HERALD/GETTY IMAGES

A worker supplies homes in Massachusetts with heating oil, one of several states that relies on it and has seen energy costs rise well above the national average in recent years.

Kate Aronoff /

December 6, 2022

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Administration, or EIA. And consumers struggling to pay their heating bills might unwittingly be funding efforts to keep them reliant on volatile, expensive fossil fuels.

Privately owned gas and electric utilities wield a lot of power in the state and federal government. They're regulated by state-level commissions tasked with approving rate hikes, used to finance new infrastructure as well as profits and executive pay. Rate requests from gas and power providers also routinely include language allowing customers' bills to be used to pay dues to trade associations that lobby against electrification and reducing reliance on fossil fuels. Utilities can also use expedited processes to raise rates based on fuel price increases.

The electric utility Eversource has asked regulators to allow it to raise rates by more than 40 percent for customers in Massachusetts. National Grid has requested a 64 percent hike in electricity rates for its service area in the state, translating to a \$114 increase in typical monthly heating bills. It has also requested a 22 percent increase for gas-powered residential heating. In Connecticut, Eversource—whose CEO made \$4.7 million in 2021—is seeking a rate hike that could increase average customer bills by 50 percent.

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An expert tracking these increases said that future filings would reveal whether these requests will include trade association dues. Whether or not they do, a regulatory structure that allows companies to make their customers foot the bill for higher fuel costs has made the problem worse. “Utilities don’t make a profit on the price of fuel, and it is passed through directly to customers to pay,” said Keriann Conroy, a researcher for the Energy and Policy Institute, a nonprofit utility watchdog. At the same time, she added, “utilities don’t see the



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Affordability issues are especially acute in the Northeast, where energy costs are 15.4 percent higher than the national average. Compounding that is the roughly five million households there who rely on heating oil to warm their homes, nearly all of them in New England and the mid-Atlantic. The markets for this fuel source are largely unregulated, with prices tracking to the cost of crude oil. The EIA has said that costs for households that use heating oil, a diesel-based product, will rise by 45 percent this winter. More than 60 percent of homes rely on home heating oil in Maine, where prices are already up more than 61 percent over the previous year and by 70 percent nationwide as reserves sit at historical lows.

The spike in heating oil prices is being driven both by increased demand for non-Russian oil and gas and by a loss of refining capacity over the last several years. To remedy high heating costs, the White House has considered releasing supplies from its emergency heating oil reserve, and said that “all options remain on the table,” including a possible restriction on exports.

In New York, ConEd has requested that the Public Service Commission approve a 9.6 percent rate hike for electricity and a 14.7 percent hike for gas, arguing that the steep rise in rates would fund “clean energy investments in support of New York State’s climate goals and infrastructure upgrades that will help keep customers in service during severe weather.” That rate hike, though, would also pour millions of dollars into fossil fuel infrastructure.

“This money is being asked to be given to them so they can make investments,” said Zohran Mamdani, the state assembly member who represents Astoria, Queens, “but often those are being used as a means of greater extraction from working-class New Yorkers while investing in more fossil fuels.” Early this year, New York City–based news site The City reported that 1.3 million residential gas and electric customers across New York were 60 or more days behind on their bills, totaling more than \$1.7 billion. Residential ConEd customers in New York City and Westchester owed \$819 million. ConEd spent 39 percent more compensating its top executive in 2021 than in the previous year.

There are limited options for those struggling to pay bills—particularly as pandemic-era relief measures have expired. The White House has pledged \$4.5 billion toward the Low-Income Heating Energy Assistance Program, which is distributed at the state level. Relief doesn’t always find its ratepayers, though. A report released last year by the Center for Biological Diversity and Bailout Watch found that 16 electric utilities that raked in \$1.25 billion in federal pandemic relief cut off service one million times.



causes of that debt. Among the key drivers of the debt, he said, is “the belief that the energy market should be privately managed at the expense of the public.”

Utilities can also claw back money from customers if fuel prices spike beyond their projections. That’s exactly what the Florida Power and Light, or FPL, did last year, when it successfully asked the Florida Public Service Commission to let it collect an additional \$810 million from ratepayers as fuel prices rose following Russia’s invasion of Ukraine and ensuing Western sanctions on Russian oil. FPL uses gas to generate nearly three-quarters of its electricity.

Gas and gas-reliant utilities like FPL have been especially active in pushing back on electrification, creating a divide among companies based on how much they could benefit from bringing activities like heating and transportation onto the grid. “The electric utilities stand to benefit from increasing electrification, where the gas utilities are fighting for their life and their own viability in a much more existential way,” Conroy told me. They’ve therefore pursued a scorched earth campaign against most any policy that could shift society away from gas and the volatility of fossil fuel prices.

The American Gas Association—a powerful trade association funded largely by dues from its more than 200 member utilities—has pushed back on incentives in the Inflation Reduction Act for electric heat pumps, which are more energy efficient than traditional heating and therefore could bring customers’ bills, and emissions, down. The AGA has also used various means to block bans on new gas hook-ups and advocate for additional fossil fuel infrastructure. An study by the Energy and Policy Institute found that front groups for utilities—with anodyne names like Seniors Across America and New Yorkers for Affordable Energy—spent \$2.4 million over the last four years on social media ads, many of which attacked climate bills. Among the biggest spenders EPI analyzed was the 501(c)(4) Natural Allies for Clean Energy, a group with close links to Duke Energy and Southern Company. For *The Guardian* and its nonprofit partner Floodlight, Taylor Kate Brown reported that the group took a particular interest in young voters of color in making the case for the Williams Companies’ pipeline project from New Jersey to Queens. “Success for the natural gas industry will be rooted in whether we can message to the left and the Democratic base of Black and Latino and age 18-34 voters as effectively as we have messaged to the right,” one early planning document stated.

There’s been some interest in cracking down on utilities’ practice of making ratepayers subsidize their advocacy. A Notice of Inquiry issued last year by the Federal Energy



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through their bills. For now, though, millions of ratepayers are stuck paying higher prices and paying for their utilities' elaborate efforts to keep them hooked on gas.

Kate Aronoff @KateAronoff

Kate Aronoff is a staff writer at *The New Republic*.

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Editor's Picks



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“Ghost Candidates”

How They Manipulate (and sometimes steal) Florida Elections

By Ben Wilcox

December 2022



i n t e g r i t y

F L O R I D A

Integrity Florida is a nonprofit, nonpartisan research institute and government watchdog whose mission is to promote integrity in government and expose public corruption.

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Executive Summary

The term “ghost candidate” was first used in Florida press reports to describe a political dirty trick that took place in three state Senate races during the 2020 election cycle. In the Senate races for Districts 9, 37 and 39, No Party Affiliated candidates were essentially bribed to enter the races in a scheme to siphon votes away from Democratic candidates in favor of their Republican opponents.

Leaked documents from an Alabama-based political consulting firm with ties to Florida’s largest utility Florida Power and Light show how “dark money” political committees worked behind the scenes to promote the ghost candidates, even though the candidates themselves did no campaigning.

In large part, the ghost candidate scheme worked. All three Republican candidates won their elections. It is important to note that the votes that were siphoned away from the Democratic candidates in two of the Senate races would not have changed the outcome. However, in one race it clearly did.

In the race for Senate District 37, incumbent Democratic Senator José Javier Rodríguez lost to his Republican challenger by just over 30 votes. A ghost candidate with the same last name who did no campaigning yet was the beneficiary of a dark money advertising campaign, received over 6,000 votes. Clearly, the ghost candidate in the race received a significant number of votes, indicating that the candidate successfully siphoned votes away from the Democratic incumbent.

While there were several races in the 2018 and 2020 election cycles where ghost candidates were used to siphon votes, Florida has had a long history of ghost or spoiler candidates being used to make sure primary elections are closed to only voters of one party. A constitutional amendment passed in 1998 was meant to open primary elections to all voters in a district if the candidates were in the same political party and the primary would decide who represents the district.

The constitutional amendment did not address what effect a write-in candidate would have on the primary, thus creating a loophole that allows primaries to remain closed when a write-in candidate enters a race. The so-called write-in loophole has been used extensively by both political parties since 2000 to manipulate elections and thwart the intent of the voters when they passed the open primary constitutional amendment.

Key Findings

- So called “ghost candidates” have a more than 20-year history in Florida, but in the 2020 election cycle the use of three ghost candidates to siphon votes in three state senate races crossed the legal line to become a criminal form of voter fraud.
- Florida’s largest utility company Florida Power and Light (FPL) provided “dark money” funding for the ghost candidate scheme and, along with its Alabama-based political consulting firm Matrix, was actively involved in the strategic planning to carry out the scheme.
- The ghost candidate scheme worked as intended in at least one 2020 race for Senate District 37, where the incumbent Democratic Senator lost to his Republican challenger by a little over 30 votes. The ghost candidate in the race, with the same last name as the Democratic candidate, received over 6,000 votes, many of which were clearly siphoned due to misinformation and voter confusion. The ghost candidate did no campaigning for the seat but was the beneficiary of ads run by an outside political committee promoting the ghost candidate as a “progressive.”
- In August of 2022, long-time Tampa Democratic Congresswoman Kathy Castor called on the Justice Department to investigate Florida Power and Light’s use of “dark money” to manipulate elections in Florida. While it’s not clear whether such an investigation is taking place, **Integrity Florida believes a DOJ investigation into FPL’s involvement in the ghost candidate scheme is justified.**
- While the term “ghost candidate” was first applied to the candidates in the three 2020 state Senate races, there have been similar “spoiler” candidates in state and local races going back to the 2000 election. Write-in candidates exploit a loophole in a requirement in the Florida constitution that primary elections be open to all voters if the primary will decide the winner of the race.

Policy Options

- Redesign Florida’s campaign finance regulations with a goal of ensuring maximum transparency and accountability and eliminating so-called “dark money” that uses the federal tax code to hide the sources of campaign funding.
- Prohibit transfers of money between political committees.
- Expressly prohibit the use of paid “ghost candidates.”

- Eliminate the option to file as a write-in candidate without paying a filing fee or gathering a required number of petitions.
- Require primaries to be open to all voters if the only candidates on the ballot are from one political party, regardless of whether there is a write-in candidate in the race.

Introduction

“Ghost candidate” is a term first used to describe three candidates running for Florida Senate Districts in the 2020 election cycle. It amounted to a political dirty trick that at the very least would be considered a cynical take on democracy and worse, a potentially criminal scheme to mislead voters and steal an election. Consider this statement by Florida State Attorney Phil Archer whose office is investigating one of the ghost candidate cases.

Some candidates with no party affiliation “commonly referred to as ‘ghost’ candidates, have been used by political parties as a way to close elections or siphon off votes,” State Attorney Phil Archer, whose jurisdiction covers Seminole County, said in a statement.

“While not illegal per se, many have questioned the ethics of the practice. However, when that candidate and the partisan political operatives involved violate election finance laws by illegally funding those races and filing false reports, it is the responsibility of government to act.”¹

This report examines how “ghost candidates” have been used to manipulate elections in Florida. The focus is not just on the 2020 state Senate elections when the term “ghost candidate” was first coined, but also how spoiler or shadow candidates have historically been manipulating elections in Florida for more than 20 years.

Support for this research report was provided by the Fund for Investigative Journalism and the Florida Center for Government Accountability.

Ghost Candidates Used to Siphon Votes

The term “ghost candidate” was first used by the Florida press to describe candidates in three state Senate elections in the 2020 election cycle.² Extensive reporting by the Orlando Sentinel, the Miami Herald, and others document how Florida Power and Light (FPL) and other powerful corporations have funded the behind-the-scenes campaigns of fake candidates used to siphon votes from legitimate candidates.

While the ghost candidate scheme used in the 2020 election cycle has been publicly exposed, further reporting documents how the same political operators were using dark money political committees and nonprofits to manipulate elections in the 2018 election cycle.³

As originally reported by the Orlando Sentinel in August 2021, an Alabama-based communication and political consulting firm called Matrix LLC was at the center of the ghost candidate scheme in both election cycles.⁴ According to records obtained by the Orlando Sentinel and the government watchdog group the Florida Center for Government Accountability, consultants working at the time for Matrix had ties to a nonprofit called Grow United. Grow United was set up in Delaware but based out of a UPS store in Denver.

The Matrix consultants that were involved with the ghost candidate scheme left the firm at the end of 2020 after a falling out with the firm's founder. They later became embroiled in a lawsuit accusing them of diverting fees from Matrix clients to businesses and nonprofits they set up for themselves. A stream of documents coming from a Matrix server were anonymously leaked to the Miami Herald and the Orlando Sentinel and show how the former Matrix employees manipulated Florida elections to benefit the firm's client at the time, the utility company Florida Power and Light.⁵

The documents show executives at Florida Power and Light were in communication with the former Matrix employees concerning elections in Florida where FPL had an interest in the outcome. Matrix and FPL's political operation relied on a daisy chain network of secretive nonprofits, out-of-state consultants, and shell corporations to shield the nation's largest electric company from being revealed as the source of millions of dollars in political funds. Florida Power and Light has denied any involvement with the ghost candidate scheme.⁶

2018

Over the course of two election cycles, documents show Matrix used Florida Power and Light funds to manipulate five Florida elections. In the 2018 cycle, they were focused on a Gainesville-area state Senate race and a Miami-Dade County Commission race, both of which FPL had a political interest. It appears to be a trial run for the ghost candidate scheme that would play out at the state Senate level in 2020. Unlike 2020, the candidates that were used to siphon votes in 2018 were not technically "ghost candidates." The 2018 candidates actually did some campaigning rather than just rely solely on direct mail advertising to voters, as did the ghost candidates in 2020.⁷

State Senate Race

In the 2018 Gainesville state Senate race, a strong Democratic candidate was threatening to unseat an FPL friendly Republican incumbent. The race was important to Florida Power and Light because the Florida Senate confirms the appointment of members of the state's Public Service Commission which regulates utility companies like FPL.

FPL used a Matrix-connected nonprofit called Broken Promises to secretly bankroll a spoiler in the Senate race. Leaked records from Matrix show FPL donated \$200,000 to Broken Promises which then donated \$20,000 to the spoiler candidate's political committee and spent another roughly \$115,000 on mailers and advertising supporting him. As a nonprofit, Broken Promises did not have to disclose its donors so the money could not be traced back to Florida Power and Light.

The spoiler candidate ran as a no-party candidate in the 2018 race for Senate District 8 and was successful in siphoning enough votes away from the Democrat in the race to allow the Republican incumbent to hold onto the seat. As a corporation, Florida Power and Light can make political contributions, but under both state and federal law it is not allowed to hide contributions using "straw" donors.⁸

County Commission Race

In the 2018 Miami-Dade County Commission race, Florida Power and Light wanted to drain votes away from the incumbent Democrat who had clashed with FPL over its nuclear power plant at Turkey Point.⁹ In this race, Matrix recruited a black candidate to run against the incumbent and her Republican challenger. Again, leaked documents and ledgers from Matrix show it sent more than \$120,000 in FPL funds to another Alabama-based company called Tarella that had connections to Matrix.

Tarella paid the spoiler candidate a \$60,000 salary in 2017 according to the candidate's financial disclosure filed for the county commission race. Tarella also agreed to pay the spoiler candidate's \$2,300 monthly rent starting in 2017 according to a letter the company sent to his landlord. Matrix also tried to help the spoiler candidate by covertly sending FPL money to a Washington D.C.-based political consulting firm hired to advise the candidates campaign, potentially a violation of state campaign finance laws.

In the end the scheme didn't work. In the nonpartisan race, the spoiler candidate captured 17% of the vote while the Republican candidate only received 22%. That meant the incumbent, the target of the vote siphoning scheme, avoided a runoff and won reelection to her seat.

2020

While it may have had its roots in the 2018 cycle, the ghost candidate scheme employed by Matrix and funded by Florida Power and Light came into full fruition in the 2020 election cycle. Those behind the ghost candidate scheme targeted three state Senate races including Senate districts 9, 37 and 39.¹⁰ The ghost candidates that ran in those races did no campaigning themselves, but they were promoted by \$550,000 in nearly identical advertising. The advertising was designed by Republican political consultants based in Tallahassee and was worded to appeal to Democratic-leaning voters.

In 2020 the dark-money nonprofit that funded the advertising was called Grow United. Leaked Matrix records demonstrate that Grow United was set up and controlled by consultants who were working for Matrix at the time. Grow United was incorporated in Delaware and the leaked Matrix records show FPL was the client that was billed for the corporate filing fee. None of the leaked records indicate FPL contributed directly to Grow United, but they do demonstrate that FPL was billed by the Matrix consultants for millions of dollars shortly before they started moving money through the nonprofit in 2020.

Grow United also received money from a nonprofit called “Let’s Preserve the American Dream” run by a longtime political consultant to the business lobby group Associated Industries of Florida. FPL is one of Associated Industries biggest members. The leaked Matrix records show Associated Industries sent Grow United \$600,000 on September 29, 2020. Three days later Grow United sent \$550,000 to two political committees that would pay for the advertisements supporting the ghost candidates in the three Senate races.

FPL’s interest in the three Senate races is best explained by the fact that the Florida Senate is important to the utility’s profits. FPL is regulated by the state’s Public Service Commission and members of the Commission are appointed by the Governor but must be confirmed by the Senate.

The ghost candidates in the three 2020 Senate races were Jestine Iannotti in Senate District 9, Alex Rodriguez in Senate District 37, and Celso Alfonso in Senate District 39. None of these candidates actively campaigned or even publicly expressed interest in serving in office if they were elected. The advertising supporting these ghost candidates, which was paid for by money Grow United sent to two Florida-based political committees, was intentionally misleading.

Senate District 9

In the District 9 race in central Florida, the ghost candidate was a little-known independent candidate by the name of Jistine Iannotti.¹¹ The advertising mailers that supported her featured a photo of a Black woman, promising a candidate that would be free of the influence of special interests and emphasized her support for social justice issues and campaign finance reform. In actuality, Iannotti is a white woman who was planning to move to Sweden. The dark money that financed the ad campaign was controlled by Matrix consultants working closely with FPL. FPL's corporate lobbyists were supporting the Republican candidate and the eventual winner of the race, Senator Jason Brodeur.

Senate Districts 37 and 39

The Republican candidates in all three races where ghost candidates were on the ballot ended up winning their elections.¹² Of the three ghost candidate Senate races in 2020, the race for District 37 most clearly demonstrated how a spoiler candidate could change the outcome of an election.

Democratic state Senator José Javier Rodríguez was seeking reelection and faced two opponents, Republican Ileana Garcia and No Party Affiliated candidate Alex Rodriguez.¹³ It was a seat that was generally considered safe for the incumbent. But state Senator José Javier Rodríguez had angered Eric Silagy, the CEO of Florida Power and Light by proposing a law that could cut into FPL's profits.¹⁴ Silagy wrote a 2019 email to two of his vice presidents directing them to make the state Senator's life "a living hell."

One of the vice presidents immediately forwarded the email to the CEO of Matrix, the political consulting firm which counted Florida Power and Light as one of its biggest clients. The email is part of a trove of Matrix documents and ledgers that were anonymously leaked to the Orlando Sentinel, Miami Herald and other news outlets.

Records also show that Data Targeting, a Gainesville-based political consulting firm, had a \$15,000 a month contract with former South Florida Senator Frank Artiles to work on "certain contested Florida Senate Districts in Miami-Dade County – at the same time Data Targeting was being paid millions of dollars by state Republican leaders to run Senate campaigns."¹⁵

Artiles recruited two ghost candidates to run in neighboring Senate Districts 37 and 39. One of the candidates, Alex Rodriguez who had the same last name as the incumbent Senator, admitted Artiles paid him nearly \$45,000 in bribes in exchange for putting his name on the ballot. The scheme was intended to mislead voters and siphon votes away from Senator José Javier Rodríguez and help the Republican in the race, Ileana Garcia.

Leaked records show that Matrix consultants used their dark-money nonprofit Grow United to fund two Florida political committees which paid for advertising in the race promoting the ghost candidate, Alex Rodriguez, as a left-leaning progressive.

In the race for Senate District 37 the ghost candidate scheme worked as intended. The Republican candidate, Ileana Garcia, won the election by just 32 votes over the incumbent Democrat. The ghost candidate received 6,382 votes, easily enough votes to swing the election to the Republican candidate.

Consequences

Five people, including ghost candidates Alex Rodriguez and Jistine Iannotti, were charged in two separate criminal investigations into the ghost candidate scheme. The Florida Commission on Ethics recommended that the third ghost candidate, Celso Alfonso who ran in Senate District 39, be fined \$250 for financial disclosure violations.¹⁶

Alex Rodriguez has pled guilty and has agreed to testify in the trial of Frank Artiles. Artiles' trial is currently scheduled for December 2022.

Neither the consulting firm Matrix or their client Florida Power and Light have been charged for their roles in the ghost candidate scheme. In August of 2022, long-time Tampa Democratic Congresswoman Kathy Castor called on the Department of Justice to investigate Florida Power and Light over its use of dark money to manipulate elections.¹⁷

“Generally, electric utilities should operate in the public interest and it appears that FPL and its officers use dark money, pressure campaigns and illicit, and possibly illegal, activity to disadvantage the citizens of Florida,” U.S. Rep. Kathy Castor wrote in a letter to U.S. Attorney General Merrick Garland.¹⁸

2022 Election Cycle

The criminal use of ghost candidates did not surface again at the state level in 2022, likely because many of those who took advantage of the scheme are facing charges that will result in convictions and possible jailtime. While there were no ghost candidates in 2022 at the state level, there was at least one report of a possible ghost candidate in an Osceola County Commission race.¹⁹

In a lawsuit, one of the losing candidates claims another losing candidate was “given or offered a bribe or reward” to enter the race in a scheme to siphon Hispanic votes, allowing the incumbent

Commissioner to retain her seat. The candidate who is being called a “ghost candidate” denies he was paid to run and says he was a serious candidate.

Ghost Candidates Used to Close Primary Elections

Ghost candidates in Florida have a long history going back to the early 2000’s. Primarily, they have been used to exploit what has become known as “the write-in candidate loophole.”

The 1998 Constitution Revision Commission²⁰ placed nine proposed constitutional amendments on that year’s ballot. Proposed Constitution Revision 11 dealt with ballot access, public campaign financing, and election process revisions.²¹ The proposed constitutional amendment contained the following language relating to open primary elections:

(b) If all candidates for an office have the same party affiliation and the winner will have no opposition in the general election, all qualified electors, regardless of party affiliation, may vote in the primary elections for that office.

During the 1998 Constitution Revision Commission’s debates and discussions on Proposition 11, members never addressed the issue of what impact the presence of a write-in candidate would have in a field otherwise composed entirely of candidates from one political party.²²

The proposed constitutional amendment was passed by 64% of Florida voters and the open primary language became part of Florida’s constitution. In 1999, the Florida legislature tried to pass a bill that would implement the constitutional language on open primaries into state law. The bill failed to pass after the Senate and the House of Representatives couldn’t agree on whether a write-in candidate would constitute “opposition” in the general election.²³

The Senate took the position that the primary should be open to all voters even if there is a write-in candidate on the ballot for the general election. The House took the position that the primary should remain closed if there is a write-in candidate.²⁴

With no agreement in the legislature on write-in candidates and open primaries, it fell to the Florida Division of Elections to interpret the new language in the Constitution. In May of 2000, the Division issued an advisory opinion that sided with the House and concluded that a write-in candidate on the ballot meant the primary would remain closed to only voters of the party with candidates on the ballot.²⁵

Write-in Ghost Candidates in Florida

Since that 2000 advisory opinion was issued it has become common practice for candidates from both major parties to use write-in candidates to “close” primaries. A big part of the problem is how easy it is in Florida to become a write-in candidate. If someone wants to become a “ghost” write-in candidate to close a primary, all they have to do is fill out a form and turn it in.²⁶

Florida general election ballots contain blank lines for voters to write in candidates other than the ones listed for a given elected office. The ballot qualification requirements for write-in candidates are basic – they must file qualifying papers with the appropriate state or local offices during the established qualification period.²⁷

Currently, under Florida law a write-in candidate must reside in the district he or she would be representing at the time of ballot qualification, although a subsequent court decision found this requirement unconstitutional. Unlike other candidates, write-in candidates do not have to pay a fee or collect the required number of petition signatures to qualify for the ballot.

In October of 2017, the Florida Association of Supervisors of Election made a presentation before a committee of the 2018 Constitution Revision Commission.²⁸ The representative for the Supervisors made the following points:

- In any given election cycle, write-in candidates close primaries that otherwise would be open in approximately 10 of Florida’s 67 counties.
- Voter turnout in Florida primary elections is significantly lower than in general elections. One factor that may be contributing to low turnout is that the majority of Florida primaries are closed, including when write-in candidacies result in the closing of primaries that otherwise would have been open.
- In recent years the largest growth in Florida voter registration has been among voters who do not affiliate with any political party. When primary elections are closed, unaffiliated voters may not participate.
- Over time, county Supervisors of Elections have received more complaints from voters about the inability to vote due to closed primaries than any other issue, particularly when primaries are closed due to write-in candidates.
- Allowing primaries to remain open even when write-in candidacies are included could contribute to increased voter participation in Florida primary elections, as well as fewer voter complaints to county Supervisors of Elections over primaries being closed because of write-in candidacies.

Attempts to Close the Write-in Candidate Loophole

There have been attempts to close or at least further restrict the use of the write-in candidate loophole. Then state Senator Dave Aronberg sponsored a bill in 2007 that would have required write-in candidates to pay a qualifying fee equal to 0.7% of the annual salary of the office sought as well as a party assessment fee of 0.3%. Alternatively, the write-in candidate could also collect petitions by gathering the signatures of 0.10% of the voters of the district sought to be represented. Facing strong opposition from both political parties, the bill was heard in only one Senate committee before dying at its next committee stop.

The 2018 Constitution Revision Commission also considered a proposal to close the write-in candidate loophole created by its 1998 predecessor. Dave Aronberg, now Palm Beach County State Attorney, called on the Revision Commission to close the write-in loophole.²⁹ “The write-in candidates are used to manipulate the system to prevent people from voting. It’s a scam,” said Aronberg. “It’s something that the party bosses and political consultants employ to limit the number of voters in every election.”

“Write-in candidates rarely get any votes, they’ve never won, and they are really just used to close out primaries, to thwart the will of the voters,” Aronberg went on.

The 2018 Revision Commission considered Proposal 11 allowing all voters, regardless of party affiliation to vote in a primary if the winner will be opposed only by one or more write-in candidates in the general election. Facing opposition from the political parties, the Revision Commission did not include the proposal in the list of proposed amendments it put before voters on the 2018 ballot.

2022 Election Cycle

There were several reports in the 2022 election cycle of “ghost candidates” being used to close primaries. The Florida Times-Union reported that the primary race for state House District 16 between three Republican candidates was closed to only Republican voters because two write-in candidates had filed for the seat.³⁰

In September 2022, Florida Politics reported on another Jacksonville area race involving four Democratic candidates. The race to represent Florida House District 14 drew a write-in candidate that ensured that Republicans and No Party Affiliated voters could not participate in what ended up being the decisive election in the heavily Democratic district. The write-in candidate withdrew from the race after the primary election.

The use of ghost candidates to exploit the write-in loophole is happening at the local level as well. The Naples Daily News reported in September 2022 that the write-in candidate in a Collier County Commission race withdrew his candidacy two days after the primary that was closed to only Republican voters.³¹ The report said the write-in candidate was responsible for “disenfranchising roughly half of all eligible voters in that district.”

Florida Today reported on a “ghost” write-in candidate in a 2022 Brevard County Commission race.³² With a headline that read, “*Ghost candidate*” in Brevard Commission race locks out 54,000 voters, the report detailed how a registered Republican entered the race as a write-in candidate solely to prevent Democratic and unaffiliated voters from voting in the Republican primary.

Even though the only other candidates in the race were also Republicans, the write-in candidate ensured the primary would be closed to only Republican voters. “As a member of the Republican Party, I feel that only Republicans should vote for Republican candidates, especially when only Republican candidates are running,” the candidate told Florida Today in a written statement. “I know that the only way to accomplish this is to become a write-in candidate.”

Clearly, Florida’s voter-approved open primary requirement is not being implemented as voters intended. The use of write-in candidates to “close” primaries in Florida will likely continue unless the legislature takes action or there is a new constitutional amendment that clarifies the voter’s intent.

Conclusion

So called “ghost candidates” have a more than 20-year history in Florida, but in the 2020 election cycle the use of three ghost candidates to siphon votes in three state Senate races crossed the legal line to become a criminal form of voter fraud.

Florida’s largest utility company, Florida Power and Light, provided “dark money” funding for the ghost candidate scheme and, along with its Alabama-based political consulting firm Matrix, was actively involved in the strategic planning to carry out the scheme.

The ghost candidate scheme worked as intended in at least one 2020 race for Senate District 37, where the incumbent Democratic Senator lost to his Republican challenger by a little over 30 votes. The ghost candidate in the race, with the same last name as the Democratic candidate, received over 6,000 votes, many of which were clearly siphoned due to voter misinformation. The ghost candidate did no campaigning for the seat but was the beneficiary of ads run by an outside political committee promoting the ghost candidate as a “progressive.”

In August of 2022, long-time Tampa Democratic Congresswoman Kathy Castor called on the Department of Justice to investigate Florida Power and Light’s use of “dark money” to manipulate elections in Florida. While it’s not clear whether such an investigation is taking place, **Integrity**

Florida believes a DOJ investigation into FPL’s involvement in the ghost candidate scheme is justified.

While the term “ghost candidate” was first applied to the candidates in the three 2020 state Senate races, there have been similar “spoiler” candidates in state and local races going back to the 2000 election. Write-in candidates exploit a loophole in a requirement in the Florida constitution that primary elections be open to all voters if the primary will decide the winner of the race.

Policy Options for Consideration

- Redesign Florida’s campaign finance regulations with a goal of ensuring maximum transparency and accountability and eliminating so-called “dark money” that uses the federal tax code to hide the sources of campaign funding.
- Prohibit transfers of money between political committees.
- Expressly prohibit the use of paid “ghost candidates.”
- Eliminate the option to file as a write-in candidate without paying a filing fee or gathering a required number of petitions.
- Require primaries to be open to all voters if the only candidates on the ballot are from one political party, regardless of whether there is a write-in candidate in the race.

Endnotes

¹ “‘Ghost’ candidate, 2 operatives face charges in Florida,” Associated Press, May 24, 2022. https://news.yahoo.com/ghost-candidate-2-operatives-face-170357339.html?fr=sycsrp_catchall

² “Florida’s dark money playbook: How ‘ghost’ candidate scheme revealed secretive political tactics,” Orlando Sentinel, December 30, 2021. <https://www.orlandosentinel.com/news/os-ne-dark-money-ghost-candidates-tactics-20211230-7zelkoadffclde3z76ax3cgx3m-htmlstory.html>

³ “‘Nightmare scenario’: How FPL secretly manipulated a Florida state Senate election,” Miami Herald, August 29, 2022. <https://www.miamiherald.com/news/politics-government/state-politics/article264196761.html>

⁴ “Dark money behind Florida ‘ghost’ candidates has ties to Alabama political players. Records suggest,” Orlando Sentinel, August 5, 2021. <https://www.orlandosentinel.com/politics/os-prem-ne-senate-ghost-candidates-alabama-consultants-20210805-drvbnrih6vftogidwcv6bg5s4q-story.html>

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¹⁴ “Dark power: How FPL, other utilities neutralize opponents, grow profits,” Orlando Sentinel, July 27, 2022. <https://www.orlandosentinel.com/news/os-ne-matrix-llc-fpl-utilities-climate-change-20220727-y3ava6jmzzar3ep6a67jcg3gu-story.html>

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¹⁸ “Congresswoman Kathy Castor letter to the Department of Justice,” July 28, 2022. <https://www.integrityflorida.org/wp-content/uploads/2022/10/Castor-DOJ-letter.pdf>

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- ²⁶ “Florida Statute 99.021 Form of Candidate Oath,” 2022 Florida Statutes. http://www.leg.state.fl.us/Statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=0000-0099/0099/Sections/0099.021.html
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FLORIDA PUBLIC SERVICE COMMISSION

COMMISSION CONFERENCE AGENDA

CONFERENCE DATE AND TIME: Tuesday, December 6, 2022, 9:30 a.m.

LOCATION: Betty Easley Conference Center, Joseph P. Cresse Hearing Room 148

DATE ISSUED: November 22, 2022

NOTICE

Persons affected by Commission action on certain items on this agenda may be allowed to address the Commission, either informally or by oral argument, when those items are taken up for discussion at this conference. These items are designated by double asterisks (**) next to the item number.

To participate informally, affected persons need only appear at the conference and request the opportunity to address the Commission on an item listed on the agenda. Informal participation is not permitted: (1) on dispositive motions and motions for reconsideration; (2) when a recommended order is taken up by the Commission; (3) in a rulemaking proceeding after the record has been closed; or (4) when the Commission considers a post-hearing recommendation on the merits of a case after the close of the record. The Commission allows informal participation at its discretion in certain types of cases (such as declaratory statements and interim rate orders) in which an order is issued based on a given set of facts without hearing. See Florida Administrative Code Rules 25-22.0021 (agenda conference participation) and 25-22.0022 (oral argument).

Conference agendas, staff recommendations, vote sheets, and transcripts are available online at <http://www.floridapsc.com>, by selecting *Conferences & Meeting Agendas* and *Commission Conferences of the FPSC*. An official vote of "move staff" denotes that the Item's recommendations were approved.

In accordance with the Americans with Disabilities Act, persons needing a special accommodation to participate at this proceeding should contact the Office of Commission Clerk no later than five days prior to the conference at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850 or 850-413-6770 (Florida Relay Service, 1-800-955-8770 Voice or 1-800-955-8771 TDD). Assistive Listening Devices are available upon request from the Office of Commission Clerk, Gerald L. Gunter Building, Room 152.

The Commission Conference has a live video broadcast the day of the conference, which is available from the FPSC website. Upon completion of the conference, the archived video will be available from the website by selecting *Conferences & Meeting Agendas*, then *Audio and Video Event Coverage*.

EMERGENCY CANCELLATION OF CONFERENCE: If a named storm or other disaster requires cancellation of the Conference, Commission staff will attempt to give timely notice. Notice of cancellation will be provided on the Commission's website (<http://www.floridapsc.com>) under the Hot Topics link on the home page. Cancellation can also be confirmed by calling the Office of Commission Clerk at 850-413-6770.

If you have any questions, contact the Office of Commission Clerk at 850-413-6770 or Clerk@psc.state.fl.us.

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Commission Conference Agenda
December 6, 2022

ITEM NO.

CASE

1**

Docket No. 20220171-WS – Proposed amendments to Rule 25-30.110, F.A.C., Records and Reports; Annual Reports, and Rule 25-30.420, F.A.C., Establishment of Price Index, Adjustment of Rates; Requirement of Bond; Filings After Adjustment; Notice to Customers.

Rule Status: Proposed, may be deferred

Commissioners Assigned: All Commissioners

Prehearing Officer: Passidomo

Staff: GCL: Sapoznikoff

AFD: Norris, Sowards, Andrews, Fletcher

ECO: Guffey

Issue 1: Should the Commission propose the amendment of Rules 25-30.110 and 25-30.420, F.A.C.?

Recommendation: Yes, the Commission should propose the amendment of Rules 25-30.110 and 25-30.420, F.A.C., as set forth in Attachment A of staff's memorandum dated November 22, 2022. The Commission should also certify Rule 25-30.110, F.A.C., as a minor violation rule. Rule 25-30.420, F.A.C., should remain as not a minor violation rule.

Issue 2: Should this docket be closed?

Recommendation: Yes. If no requests for hearing, information regarding the SERCs, proposals for a lower cost regulatory alternative, or the Joint Administrative Procedures Committee (JAPC) comments are filed, the rules should be filed with the Department of State, and the docket should be closed.

ITEM NO.

CASE

2**PAA

Docket No. 20220005-WS – Annual reestablishment of price increase or decrease index of major categories of operating costs incurred by water and wastewater utilities pursuant to Section 367.081(4)(a), F.S.

Critical Date(s): 3/31/23 (Statutory Reestablishment Deadline)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: AFD: Przygocki, Sowards

GCL: Stiller

Issue 1: Which index should be used to determine price level adjustments?

Recommendation: The Gross Domestic Product Implicit Price Deflator Index is recommended for use in calculating price level adjustments. Staff recommends calculating the 2023 Price Index by using a fiscal year, four quarter comparison of the Implicit Price Deflator Index ending with the third quarter of 2022.

Issue 2: What rate should be used by water and wastewater utilities for the 2023 Price Index?

Recommendation: The 2023 Price Index for water and wastewater utilities should be 7.07 percent.

Issue 3: How should the utilities be informed of the indexing requirements?

Recommendation: The Division of Accounting and Finance, after the expiration of the Proposed Agency Action (PAA) protest period, should send each regulated water and wastewater utility a copy of the PAA order establishing the index containing the information presented in Attachment 1 of staff's memorandum dated November 22, 2022. A cover letter from the Director of the Division of Accounting and Finance should be included with the order (Attachment 2 of staff's memorandum dated November 22, 2022). The entire package should also be made available on the Commission's website.

Issue 4: Should this docket be closed?

Recommendation: No. Upon expiration of the 14-day protest period, if a timely protest is not received, the decision should become final and effective upon the issuance of a Consummating Order. Any party filing a protest should be required to prefile testimony with the protest. However, this docket should remain open through the end of the year and be closed upon the establishment of the new docket in January, 2023.

ITEM NO.

CASE

3**

Docket No. 20220165-EI – Petition for limited proceeding to approve refund and rate reduction resulting from implementation of Inflation Reduction Act, by Florida Power & Light Company.

Critical Date(s): Tariff 60-Day Suspension Date 1/13/23

Commissioners Assigned: All Commissioners

Prehearing Officer: Graham

Staff: AFD: D. Buys, Cordell, Higgins, Mouring

ECO: Draper

GCL: Brownless

(Tariff Filing)

Issue 1: Should the Commission approve FPL’s calculation of the tax savings associated with the IRA for 2022?

Recommendation: Yes. The Commission should approve FPL’s calculations for the net tax savings of \$35,747,856 for 2022 resulting from the Company’s election to use PTCs instead of ITCs as allowed by the IRA.

Issue 2: Should the Commission approve FPL’s request to flow back to customers the full 2022 tax reform impact through a one-time reduction to its Capacity Cost Recovery Clause (CCR) factors in January 2023?

Recommendation: Yes. Staff recommends the Commission approve a refund of \$35,747,856 in January 2023 through a one-time reduction to FPL’s CCR factors.

Issue 3: Should the Commission approve FPL’s calculation of the projected tax savings associated with the IRA for 2023?

Recommendation: Yes. The Commission should approve FPL’s calculations of net tax savings of \$69,743,460 for 2023 resulting from the Company’s election to use PTCs instead of ITCs as allowed by the IRA.

Issue 4: Should the Commission approve FPL’s request to flow back to customers the projected 2023 tax savings through a reduction to base rates beginning January 1, 2023?

Recommendation: Yes. The Commission should approve FPL’s request to flow back to customers the projected net \$69,743,460 tax savings through a reduction to base rates beginning January 1, 2023.

Issue 5: Should the Commission approve FPL’s revised tariffs to implement the IRA base revenue decrease effective January 2023?

Recommendation: Yes. The Commission should approve FPL’s revised tariffs to implement the IRA base revenue decrease effective January 2023. The revised tariffs are shown in Attachment A of staff’s revised memorandum dated November 22, 2022.

ITEM NO.

CASE

3**

Docket No. 20220165-EI – Petition for limited proceeding to approve refund and rate reduction resulting from implementation of Inflation Reduction Act, by Florida Power & Light Company.

(Continued from previous page)

Issue 6: Should this docket be closed?

Recommendation: Yes. At the conclusion of the protest period, if no protest is filed this docket should be closed upon the issuance of a consummating order. If a protest is filed within 21 days of the issuance of the order, the tariffs should remain in effect, subject to adjustment, pending the resolution of the protest.

ITEM NO.

CASE

4**

Docket No. 20220172-EI – Petition for limited proceeding to approve rate reductions associated with the Inflation Reduction Act of 2022, by Duke Energy Florida, LLC.

Critical Date(s): 12/17/22 (60-Day Suspension Date)
12/16/22 (2021 Settlement Agreement Date)

Commissioners Assigned: All Commissioners
Prehearing Officer: Passidomo

Staff: AFD: Cicchetti
ECO: Guffey
GCL: Stiller

(Tariff Filing)

Issue 1: Should the Commission approve DEF’s calculation of the tax savings associated with the IRA for 2023?

Recommendation: Yes. The Commission should approve DEF’s calculations of the net tax savings of \$56 million for 2023 resulting from the Company’s election to use Production Tax Credits (PTCs) instead of Investment Tax Credits (ITCs) as allowed by the IRA.

Issue 2: Should the Commission approve DEF’s proposed process for flowing the tax reform impacts to DEF's customers?

Recommendation: Yes. Staff recommends the Commission approve a base rate reduction of \$56 million starting with the first billing cycle of January 2023 and allow DEF to credit customers for the actual 2022 tax savings impact in the next Capacity Cost Recovery (CCR) Clause filing (expected in March 2023).

Issue 3: Should the Commission give staff approval to administratively approve DEF’s revised tariffs which reflect and implement the multi-year base rate increase, ROE trigger, SoBRA (Duette) true-up, and the IRA base revenue decrease effective January 2023?

Recommendation: Yes. The Commission should give staff administrative authority to approve DEF’s revised tariffs which reflect and implement the multi-year base rate increase, ROE trigger, SoBRA (Duette) true-up, and the IRA base revenue decrease effective January 2023.

Issue 4: Should this docket be closed?

Recommendation: Yes. At the conclusion of the protest period, if no protest is filed, this docket should be closed upon the issuance of a consummating order. If a protest is filed within 21 days of the issuance of the order, the tariffs should remain in effect, subject to adjustments pending the resolution of the protest.

ITEM NO.

CASE

5**PAA

Docket No. 20220128-PU – Joint petition requesting approval to establish regulatory assets, by Florida Public Utilities Company, Florida Public Utilities Company - Indiantown Division, Florida Public Utilities Company - Fort Meade, and Florida Division of Chesapeake Utilities Corporation.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: La Rosa

Staff: AFD: Norris, Hinson

GCL: J. Crawford, Sandy

Issue 1: Should the Commission approve FPUC’s request for approval to establish regulatory assets for recording and preserving costs associated with the setup and implementation of a new customer information system?

Recommendation: No. The Commission should deny FPUC’s request for regulatory assets for the costs associated with the duties outlined in paragraph 10 of its petition and allow the costs to be capitalized to plant. Further, any post implementation training costs should be expensed in accordance with the Uniform System of Accounts (USOA) for Public Utilities and Licensees as found in the Code of Federal Regulations, Title 18, Subchapter C, Parts 101 and 201, Plant Instructions 3.(19).

Issue 2: Should this docket be closed?

Recommendation: If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order.

ITEM NO.

CASE

6**PAA

Docket No. 20220033-WS – Application for staff-assisted rate case in Polk County by CHC VII, Ltd.

Critical Date(s): 07/11/2023 (15-Month Effective Date (SARC))

Commissioners Assigned: All Commissioners

Prehearing Officer: Passidomo

Staff: AFD: Richards
ECO: Bruce, Hudson
ENG: Ellis, Wooten
GCL: Jones

(Proposed Agency Action Except for Issue Nos. 11, 12 and 13)

Issue 1: Is the quality of service provided by CHC VII, Ltd. satisfactory?

Recommendation: Yes. CHC has been responsive to customer complaints and is currently in compliance with the Department of Environmental Protection (DEP) standards; therefore, the quality of service should be considered satisfactory.

Issue 2: Are the infrastructure and operating conditions of CHC VII, Ltd.’s water and wastewater systems in compliance with DEP regulations?

Recommendation: Yes. CHC’s water and wastewater systems are currently in compliance with the DEP.

Issue 3: What are the used and useful (U&U) percentages of the CHC VII, Ltd. water treatment plant (WTP), water distribution, WWTP, and wastewater collection systems?

Recommendation: CHC’s WTP, water distribution, WWTP, and wastewater collection system should be considered 100 percent U&U. No adjustment is recommended for excessive unaccounted for water (EUW) or excessive infiltration and inflow (I&I).

Issue 4: What is the appropriate average test year rate base for CHC VII, Ltd.?

Recommendation: The appropriate average test year rate base for CHC VII, Ltd. is \$337,885 for water and \$312,012 for wastewater.

Issue 5: What is the appropriate return on equity and overall rate of return for CHC VII, Ltd.?

Recommendation: The appropriate return on equity (ROE) is 10.45 percent with a range of 9.45 percent to 11.45 percent. The appropriate overall rate of return is 3.48 percent.

Issue 6: What are the appropriate test year revenues for CHC VII, Ltd.’s water and wastewater systems?

Recommendation: The appropriate test year revenues for CHC’s water system are \$144,466 and \$168,062 for the wastewater system.

Issue 7: What is the appropriate operating expense for CHC VII, Ltd.?

Recommendation: The appropriate amount of operating expense for CHC VII, Ltd. is \$172,805 for water and \$248,384 for wastewater.

ITEM NO.

CASE

6**PAA

Docket No. 20220033-WS – Application for staff-assisted rate case in Polk County by CHC VII, Ltd.

(Continued from previous page)

Issue 8: Does CHC VII, Ltd. meet the criteria for application of the operating ratio methodology?

Recommendation: No. CHC VII, Ltd. does not meet the requirement for application of the operating ratio methodology for calculating the revenue requirement

Issue 9: What is the appropriate revenue requirement for CHC VII, Ltd.?

Recommendation: The appropriate revenue requirement is \$184,564 for water, resulting in an annual increase of \$40,098 (27.76 percent). The appropriate revenue requirement for wastewater is \$259,242, resulting in an annual increase of \$91,180 (54.25 percent).

Issue 10: What are the appropriate rate structures and rates for CHC VII, Ltd.'s water and wastewater systems?

Recommendation: The recommended rate structures and monthly water and wastewater rates are shown on Schedule Nos. 4-A and 4-B of staff's memorandum dated November 22, 2022, respectively. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved rates should not be implemented until staff has approved the proposed customer notice and the notice has been received by the customers. The Utility should provide proof of the date notice was given within 10 days of the date of the notice.

Issue 11: What is the appropriate amount by which rates should be reduced four years after the published effective date to reflect removal of the amortized rate case expense?

Recommendation: The rates should be reduced as shown on Schedule No. 4 of staff's memorandum dated November 22, 2022, to remove rate case expense grossed-up for RAFs and amortized over a four-year period. Pursuant to Section 367.081(8), F.S., the decrease in rates should become effective immediately following the expiration of the rate case expense recovery period. CHC should be required to file revised tariffs and a proposed customer notice setting forth the lower rates and rationale no later than one month prior to the effective date of the new rates. If the Utility files revised tariffs reflecting this reduction in conjunction with a price index or pass-through rate adjustment, separate data should be filed for the price index and/or pass-through increase and the reduction in the rates due to the amortized rate case expense.

ITEM NO.

CASE

6**PAA

Docket No. 20220033-WS – Application for staff-assisted rate case in Polk County by CHC VII, Ltd.

(Continued from previous page)

Issue 12: Should the recommended rates be approved for CHC VII, Ltd. on a temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the Utility?

Recommendation: Yes. Pursuant to Section 367.0814(7), F.S., the recommended rates should be approved for the Utility on a temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the utility. CHC should file revised tariff sheets and a proposed customer notice reflecting the Commission-approved rates. The approved rates should be effective for services rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. In addition, the temporary rates should not be implemented until staff has approved the proposed notice, and the notice has been received by the customers. Further, prior to implementing any temporary rates, the Utility should provide appropriate financial security.

If the recommended rates are approved on a temporary basis, the rates collected by the Utility should be subject to the refund provisions discussed in the staff analysis of staff's memorandum dated November 22, 2022. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., the Utility should file reports with the Commission's Office of Commission Clerk no later than the 20th of each month indicating both the current monthly and total amount subject to refund at the end of the preceding month. The report filed should also indicate the status of the security being used to guarantee repayment of any potential refund.

Issue 13: Should CHC VII, Ltd. be required to notify the Commission within 90 days of an effective order finalizing this docket, that it has adjusted its books for all the applicable National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts?

Recommendation: Yes. CHC should be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission's decision. CHC should submit a letter within 90 days of the Commission's final order in this docket, confirming that the adjustments to all applicable NARUC USOA primary accounts have been made to the Utility's books and records. In the event the Utility needs additional time to complete the adjustments, a notice providing good cause should be filed not less than seven days prior to the deadline. Upon providing a notice of good cause, staff should be given administrative authority to grant an extension of up to 60 days.

ITEM NO.

CASE

6**PAA

Docket No. 20220033-WS – Application for staff-assisted rate case in Polk County by CHC VII, Ltd.

(Continued from previous page)

Issue 14: Should this docket be closed?

Recommendation: No. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the Proposed Agency Action Order, a Consummating Order should be issued. The docket should remain open for staff's verification that the revised tariff sheets and customer notice have been filed by the Utility and approved by staff. Once these actions are complete, this docket should be closed administratively.

ITEM NO.

CASE

7**PAA

Docket No. 20220032-WS – Application for staff-assisted rate case in Polk County by Anglers Cove West, Ltd.

Critical Date(s): 07/11/23 (15-Month Effective Date (SARC))

Commissioners Assigned: All Commissioners

Prehearing Officer: Passidomo

Staff: ENG: Thompson, Ellis

AFD: D. Buys, Mouring

ECO: Bethea

GCL: Imig, Sparks

(Proposed Agency Action Except for Issue Nos. 11, 12, and 13)

Issue 1: Is the quality of service provided by Anglers Cove West, Ltd. satisfactory?

Recommendation: Yes. Anglers Cove has been responsive to customer complaints and is currently in compliance with the Department of Environmental Protection (DEP) standards; therefore, the quality of service should be considered satisfactory.

Issue 2: Are the infrastructure and operating conditions of Anglers Cove West, Ltd.'s wastewater system in compliance with DEP regulations?

Recommendation: Yes. Anglers Cove's wastewater treatment facility is currently in compliance with DEP regulations.

Issue 3: What are the used and useful (U&U) percentages of Anglers Cove West, Ltd.'s WWTP, water distribution, and wastewater collection systems?

Recommendation: Anglers Cove's WWTP, water distribution, and wastewater collection systems should be considered 100 percent U&U. Additionally, staff recommends that a 9.4 percent adjustment to purchased water should be made for excessive unaccounted for water (EUW). No adjustment is recommended for excessive infiltration and inflow (I&I).

Issue 4: What is the appropriate average test year rate base for water and wastewater for Anglers Cove West, Ltd.?

Recommendation: The appropriate average rate base is \$120,505 for water and \$129,598 for wastewater.

Issue 5: What is the appropriate return on equity and overall rate of return for Anglers Cove West, Ltd.?

Recommendation: The appropriate return on equity (ROE) is 10.45 percent and overall rate of return to use for setting rates is 4.74 percent.

Issue 6: What are the appropriate amount of test year revenues for Anglers Cove West, Ltd.'s water and wastewater systems?

Recommendation: The appropriate test year revenues for Anglers Cove's water are \$75,040 and wastewater are \$72,758.

ITEM NO.

CASE

7**PAA

Docket No. 20220032-WS – Application for staff-assisted rate case in Polk County by Anglers Cove West, Ltd.

(Continued from previous page)

Issue 7: What is the appropriate amount of test year operating expense for Anglers Cove West, Ltd.?

Recommendation: That appropriate amount of operating expense for Anglers Cove is \$99,581 for water and \$88,126 for wastewater.

Issue 8: Does Anglers Cove West, Ltd. meet the criteria for application of the Operating Ratio Methodology?

Recommendation: No. Anglers Cove does not meet the requirement for application of the Operating Ratio Methodology for calculating the revenue requirement.

Issue 9: What is the appropriate revenue requirement for Anglers Cove West, Ltd.?

Recommendation: The appropriate revenue requirement for water is \$105,293, resulting in an annual increase of \$30,253 (40.32 percent). The appropriate revenue requirement for wastewater is \$94,268 for wastewater, resulting in an annual increase of \$21,510 (29.56 percent).

Issue 10: What are the appropriate rate structures and rates for the water and wastewater systems of Anglers Cove West, Ltd.?

Recommendation: The recommended rate structures and monthly water and wastewater rates are shown on Schedule Nos. 4-A and 4-B of staff’s memorandum dated November 22, 2022. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved rates should not be implemented until staff has approved the proposed customer notice and the notice has been received by the customers. The Utility should provide proof of the date notice was given within 10 days of the date of this notice.

Issue 11: What is the appropriate amount by which rates should be reduced four years after the published effective date to reflect the removal of the amortized rate case expense?

Recommendation: The rates should be reduced as shown on Schedule No. 4 of staff’s memorandum dated November 22, 2022, to remove rate case expense grossed-up for RAFs and amortized over a four-year period. Pursuant to Section 367.081(8), F.S., the decrease in rates should become effective immediately following the expiration of the rate case expense recovery period. Anglers Cove should be required to file revised tariffs and a proposed customer notice setting forth the lower rates and rationale no later than one month prior to the effective date of the new rates. If the Utility files revised tariffs reflecting this reduction in conjunction with a price index or pass-through rate adjustment, separate data should be filed for the price index and/or pass-through increase or decrease and the reduction in the rates due to the amortized rate case expense.

ITEM NO.

CASE

7**PAA

Docket No. 20220032-WS – Application for staff-assisted rate case in Polk County by Anglers Cove West, Ltd.

(Continued from previous page)

Issue 12: Should the recommended rates be approved for Anglers Cove West, Ltd. on a temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the Utility?

Recommendation: Yes. Pursuant to Section 367.0814(7), F.S., the recommended rates should be approved for the utility on a temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the utility. Anglers Cove should file revised tariff sheets and a proposed customer notice reflecting the Commission-approved rates. The approved rates should be effective for services rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. In addition, the temporary rates should not be implemented until staff has approved the proposed notice, and the notice has been received by the customers. Further, prior to implementing any temporary rates, the Utility should provide appropriate financial security.

If the recommended rates are approved on a temporary basis, the rates collected by the Utility should be subject to the refund provisions discussed in the staff analysis of staff's memorandum dated November 22, 2022. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., the Utility should file reports with the Commission's Office of Commission Clerk no later than the 20th of each month indicating both the current monthly and total amount subject to refund at the end of the preceding month. The report filed should also indicate the status of the security being used to guarantee repayment of any potential refund

Issue 13: Should Anglers Cove be required to notify the Commission within 90 days of an effective order finalizing this docket, that it has adjusted its books for all the applicable National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts?

Recommendation: Yes. Anglers Cove should be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission's decision. Anglers Cove should submit a letter within 90 days of the Commission's final order in this docket, confirming that the adjustments to all applicable NARUC USOA primary accounts have been made to the Utility's books and records. In the event the Utility needs additional time to complete the adjustments, a notice providing good cause should be filed not less than seven days prior to the deadline. Upon providing a notice of good cause, staff should be given administrative authority to grant an extension of up to 60 days.

ITEM NO.

CASE

7**PAA

Docket No. 20220032-WS – Application for staff-assisted rate case in Polk County by Anglers Cove West, Ltd.

(Continued from previous page)

Issue 14: Should this docket be closed?

Recommendation: No. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, a consummating order should be issued. The docket should remain open for staff's verification that the revised tariff sheets and customer notice have been filed by the Utility and approved by staff. Once these actions are complete, this docket should be closed administratively.

ITEM NO.

CASE

8**PAA

Docket No. 20220035-WS – Application for staff-assisted rate case in Polk County by S. V. Utilities, Ltd.

Critical Date(s): 07/11/23 (15-Month Effective Date (SARC))

Commissioners Assigned: All Commissioners

Prehearing Officer: Passidomo

Staff: ENG: Thompson, Ellis

AFD: Higgins, Mouring, Richards

ECO: Bethea

GCL: Imig

(Proposed Agency Action Except for Issue Nos. 11, 12, and 13)

Issue 1: Is the quality of service provided by S. V. Utilities, Ltd. satisfactory?

Recommendation: No. The Utility is in compliance with the Department of Environmental Protection (DEP) standards; however, several customer comments regarding service interruptions have been received. As such, staff recommends that SV's quality of service be considered marginal and no penalty be imposed at this time. Staff further recommends that the Utility meet with its customers within three months of issuance of the Consummating Order to discuss the service interruption issues. The Office of Public Counsel and Commission staff should be made aware of the meeting place, date, and time. Last, within one month after meeting with its customers, the Utility shall file a report with the Commission summarizing the results of the meeting.

Issue 2: Are the infrastructure and operating conditions of S. V. Utilities, Ltd.'s water and wastewater systems in compliance with DEP regulations?

Recommendation: Yes. SV's water and wastewater treatment facilities are currently in compliance with DEP regulations.

Issue 3: What are the used and useful (U&U) percentages of S. V. Utilities, Ltd.'s water treatment plant (WTP), WWTP, water distribution, and wastewater collection systems?

Recommendation: SV's WTP, WWTP, water distribution, and wastewater collection systems should be considered 100 percent U&U. Additionally, staff recommends that a 2.1 percent adjustment to purchased power and chemicals should be made for excessive unaccounted for water (EUW). No adjustment is recommended for excessive infiltration and inflow (I&I).

Issue 4: What is the appropriate average test year rate base for S. V. Utilities, Ltd.?

Recommendation: The appropriate average test year rate base for SV is \$192,696 for water and \$402,349 for wastewater.

Issue 5: What is the appropriate return on equity and overall rate of return for S. V. Utilities, Ltd.?

Recommendation: The appropriate return on equity (ROE) is 7.84 percent with a range of 6.84 percent to 8.84 percent. The appropriate overall rate of return is 7.84 percent.

ITEM NO.

CASE

8**PAA

Docket No. 20220035-WS – Application for staff-assisted rate case in Polk County by S. V. Utilities, Ltd.

(Continued from previous page)

Issue 6: What are the appropriate amount of test year revenues for S. V. Utilities, Ltd.’s water and wastewater systems?

Recommendation: The appropriate test year revenues for SV’s water system are \$104,124 and \$137,965 for the wastewater system.

Issue 7: What is the appropriate operating expense for S. V. Utilities, Ltd.?

Recommendation: That appropriate amount of operating expense for SV is \$156,623 for water and \$179,246 for wastewater.

Issue 8: Does S. V. Utilities, Ltd. meet the criteria for application of the Operating Ratio Methodology?

Recommendation: No. SV does not meet the requirement for application of the operating ratio methodology for calculating revenue requirement.

Issue 9: What is the appropriate revenue requirement for S. V. Utilities, Ltd.?

Recommendation: The appropriate revenue requirement is \$171,731 for water, resulting in an annual increase of \$67,607 (64.93 percent). The appropriate revenue requirement is \$210,790 for wastewater, resulting in an annual increase of \$72,825 (52.79 percent).

Issue 10: What are the appropriate rate structures and rates for the water and wastewater systems of S. V. Utilities, Ltd.?

Recommendation: The recommended rate structures and monthly water and wastewater rates are shown on Schedule Nos. 4-A and 4-B of staff’s memorandum dated November 22, 2022, respectively. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved rates should not be implemented until staff has approved the proposed customer notice and the notice has been received by the customers. The Utility should provide proof of the date notice was given within 10 days of the date of this notice.

ITEM NO.

CASE

8**PAA

Docket No. 20220035-WS – Application for staff-assisted rate case in Polk County by S. V. Utilities, Ltd.

(Continued from previous page)

Issue 11: What is the appropriate amount by which rates should be reduced four years after the published effective date to reflect the removal of the amortized rate case expense?

Recommendation: The rates should be reduced as shown on Schedule No. 4 of staff's memorandum dated November 22, 2022, to remove rate case expense grossed-up for RAFs and amortized over a four-year period. Pursuant to Section 367.081(8), F.S., the decrease in rates should become effective immediately following the expiration of the rate case expense recovery period. SV should be required to file revised tariffs and a proposed customer notice setting forth the lower rates and rationale no later than one month prior to the effective date of the new rates. If the Utility files revised tariffs reflecting this reduction in conjunction with a price index or pass-through rate adjustment, separate data should be filed for the price index and/or pass-through increase or decrease and the reduction in the rates due to the amortized rate case expense.

Issue 12: Should the recommended rates be approved for S. V. Utilities, Ltd. on a temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the Utility?

Recommendation: Yes. Pursuant to Section 367.0814(7), F.S., the recommended rates should be approved for the Utility on a temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the utility. SV should file revised tariff sheets and a proposed customer notice reflecting the Commission-approved rates. The approved rates should be effective for services rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. In addition, the temporary rates should not be implemented until staff has approved the proposed notice, and the notice has been received by the customers. Further, prior to implementing any temporary rates, the Utility should provide appropriate financial security.

If the recommended rates are approved on a temporary basis, the rates collected by the Utility should be subject to the refund provisions discussed in the staff analysis of staff's memorandum dated November 22, 2022. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., the Utility should file reports with the Commission's Office of Commission Clerk no later than the 20th of each month indicating both the current monthly and total amount subject to refund at the end of the preceding month. The report filed should also indicate the status of the security being used to guarantee repayment of any potential refund.

ITEM NO.

CASE

8**PAA

Docket No. 20220035-WS – Application for staff-assisted rate case in Polk County by S. V. Utilities, Ltd.

(Continued from previous page)

Issue 13: Should S. V. Utilities be required to notify the Commission within 90 days of an effective order finalizing this docket, that it has adjusted its books for all the applicable National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts?

Recommendation: Yes. SV should be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission’s decision. SV should submit a letter within 90 days of the Commission’s final order in this docket, confirming that the adjustments to all applicable NARUC USOA primary accounts have been made to the Utility’s books and records. In the event the Utility needs additional time to complete the adjustments, a notice providing good cause should be filed not less than seven days prior to the deadline. Upon providing a notice of good cause, staff should be given administrative authority to grant an extension of up to 60 days.

Issue 14: Should this docket be closed?

Recommendation: No. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, a consummating order should be issued. The docket should remain open for staff’s verification that the revised tariff sheets and customer notice have been filed by the Utility and approved by staff. In addition, this docket should remain open until the report with the summary of the results of the customer meeting has been submitted by the Utility. Once these actions are complete, this docket should be closed administratively.

ITEM NO.

CASE

9**PAA

Docket No. 20220088-WS – Application for certificates to provide water and wastewater service and approval of initial rates and charges in Sumter County, by Middleton Utility Company, LLC.

Critical Date(s): 12/06/22 (Statutory Deadline for original certificate pursuant to Section 367.031, Florida Statutes, waived by applicant until December 6, 2022)

Commissioners Assigned: All Commissioners
Prehearing Officer: Graham

Staff: ENG: Wooten, Ellis, King
AFD: Swards
ECO: Bruce
GCL: Brownless

(Proposed Agency Action Except for Issue 1)

Issue 1: Should the application for water and wastewater certificates by Middleton Utility Company, LLC be approved?

Recommendation: Yes. The Commission should grant Middleton Certificate Nos. 681-W and 581-S to serve the territory described in Attachment A of staff’s memorandum dated November 22, 2022, effective the date of the Commission’s vote. The resultant order should serve as Middleton’s water and wastewater certificates and it should be retained by the Utility.

Issue 2: What are the appropriate water and wastewater rates and return on investment for Middleton Utility Company, LLC?

Recommendation: Staff’s recommended water and wastewater rates, shown on Schedule Nos. 4-A and 4-B of staff’s memorandum dated November 22, 2022, are reasonable and should be approved. The overall cost of capital should be set at 7.77 percent. A return on equity (ROE) of 7.84 percent with a range of plus or minus 100 basis points should also be approved. The approved rates should be effective for services rendered or connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. The Utility should be required to charge the approved rates until authorized to change them by the Commission in a subsequent proceeding.

ITEM NO.

CASE

9**PAA

Docket No. 20220088-WS – Application for certificates to provide water and wastewater service and approval of initial rates and charges in Sumter County, by Middleton Utility Company, LLC.

(Continued from previous page)

Issue 3: Should Middleton Utility Company, LLC’s requested initial customer deposits be approved?

Recommendation: No. The appropriate initial customer deposits are \$78 for water and \$207 for wastewater service for the residential 5/8" x 3/4" meter size. The initial customer deposits for all other residential meter sizes and all general service meter sizes should be two times the average estimated bill. The approved customer deposits should be effective for service rendered on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. The Utility should be required to collect the approved deposits until authorized to change them by the Commission in a subsequent proceeding.

Issue 4: Should the temporary meter deposit requested by Middleton Utility Company, LLC be approved?

Recommendation: Yes. The Utility’s requested temporary meter deposit for general service customers at actual cost pursuant to Rules 25-30.315 and 25-30.345, F.A.C., is reasonable and should be approved. The approved deposit should be effective for service rendered on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. Middleton should be required to collect the approved deposit, which covers the anticipated costs of installing and removing facilities and materials for temporary service, until authorized to change it by the Commission in a subsequent proceeding.

Issue 5: Should the collection device cleaning charge requested by Middleton Utility Company, LLC be approved?

Recommendation: Yes. The Utility’s requested collection device cleaning charge at actual cost for general service customers should be approved. The approved charge should be effective for service rendered on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. Middleton should be required to charge the approved charge until authorized to change it by the Commission in a subsequent proceeding.

Issue 6: What are the appropriate miscellaneous service charges for Middleton Utility Company, LLC?

Recommendation: The appropriate miscellaneous service charges are shown on Table 6-4 of staff’s memorandum dated November 22, 2022 and should be approved. The Utility should file revised tariff sheets to reflect the Commission-approved charges. The approved charges should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. Middleton should be required to charge the approved miscellaneous service charges until authorized to change them by the Commission in a subsequent proceeding.

ITEM NO.

CASE

9**PAA

Docket No. 20220088-WS – Application for certificates to provide water and wastewater service and approval of initial rates and charges in Sumter County, by Middleton Utility Company, LLC.

(Continued from previous page)

Issue 7: Should the meter tampering charge requested by Middleton Utility Company, LLC be approved?

Recommendation: Yes. The Utility’s requested meter tampering charge of actual cost should be approved. The approved charge should be effective for service rendered on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. Middleton should be required to charge the approved charge until authorized to change it by the Commission in a subsequent proceeding.

Issue 8: Should Middleton Utility Company, LLC’s request to implement a backflow prevention assembly testing charge be approved?

Recommendation: Yes. The Utility’s requested backflow prevention assembly testing charge for general service customers at actual cost should be approved. The approved charge should be effective for service rendered on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. Middleton should be required to charge the approved charge until authorized to change it by the Commission in a subsequent proceeding.

Issue 9: What are the appropriate service availability charges for Middleton Utility Company, LLC?

Recommendation: The appropriate service availability charges are a meter installation charge of \$571.50 for the residential 5/8” x 3/4” meter size and actual cost for all other residential and general service meter sizes. The main extension charge of \$2,222 per equivalent residential connection (ERC) and plant capacity charge of \$1,224 per ERC for the Utility’s water system should be approved. Additionally, a main extension charge of \$2,298 per ERC and a plant capacity charge of \$2,530 per ERC for the Utility’s wastewater system should be approved. The recommended main extension and plant capacity charges should be based on 225 gallons per day (gpd). The approved charges should be effective for connections made on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. The Utility should be required to charge the approved charges until authorized to change them by the Commission in a subsequent proceeding.

ITEM NO.

CASE

9**PAA

Docket No. 20220088-WS – Application for certificates to provide water and wastewater service and approval of initial rates and charges in Sumter County, by Middleton Utility Company, LLC.

(Continued from previous page)

Issue 10: Should this docket be closed?

Recommendation: No. If no person whose substantial interests are affected by the proposed agency actions in Issues 2 through 9 files a protest within 21 days of the issuance of the order, a consummating order should be issued. The docket should remain open for staff's verification that the revised tariff sheets have been filed by the Utility and approved by staff. Once these actions are complete, this docket should be closed administratively.

ITEM NO.

CASE

10**

Docket No. 20220106-EI – Petition for approval of new my energy bill+ program with income qualified component, by Duke Energy Florida, LLC.

Critical Date(s): 02/03/23 (8-Month Effective Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Ward, Draper, Hampson

GCL: Brownless

(Tariff Filing)

Issue 1: Should the Commission approve Duke’s proposed My Energy Bill+ program and the associated tariffs?

Recommendation: Yes, the Commission should approve Duke’s proposed My Energy Bill+ program and the associated tariff sheet Nos. 6.415-6.417 effective on the date of the Commission vote. The proposed program will allow Duke to achieve peak demand reductions. Participating customers will benefit by receiving a fixed bill with a reduced risk adder and the general body of ratepayers will benefit by any demand reductions realized. Furthermore, the program’s regulatory treatment is designed to hold the general body of ratepayers harmless.

Issue 2: Should this docket be closed?

Recommendation: Yes. If Issue 1 is approved and a protest is filed within 21 days of the issuance of the order, the tariff should remain in effect pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order.

ITEM NO.

CASE

11**

Docket No. 20220148-EI – Petition to implement 2023 generation base rate adjustment provisions in 2021 agreement, by Tampa Electric Company.

Critical Date(s): 04/26/23 (8-Month Effective Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Draper

AFD: Gatlin, Norris

ENG: Ellis, Phillips

GCL: Stiller, J. Crawford

(Tariff Filing)

Issue 1: Should the Commission approve the updated GBRA amount of \$91,011,994?

Recommendation: Yes, the updated 2023 GBRA amount of \$91,011,994 should be approved.

Issue 2: Should the Commission approve TECO’s revised tariffs to implement the GBRA increase effective January 2023?

Recommendation: Yes, the Commission should approve TECO’s revised tariffs to implement the GBRA increase effective with the first billing cycle of January 2023 as approved in the settlement order.

Issue 3: Should this docket be closed?

Recommendation: If Issues 1 and 2 are approved and a protest is filed within 21 days of the issuance of the order, the tariffs should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order.

ITEM NO.

CASE

12**PAA

Docket No. 20220026-WU – Application for staff-assisted rate case in Marion County, and request for interim rate increase, by Leighton Estates Utilities, LLC.

Critical Date(s): 06/28/2023 (15-Month Effective Date (SARC))

Commissioners Assigned: All Commissioners

Prehearing Officer: Graham

Staff: ECO: Bethea, Hudson

AFD: Richards

ENG: Lewis, Ramos

GCL: Trierweiler

(Proposed agency Action Except for Issues 13, 14 and 15)

Issue 1: Is the quality of service provided by Leighton Estates Utilities, LLC. satisfactory?

Recommendation: Yes. The utility is passing all Department of Environmental Protection (DEP) primary and secondary standards and no customer complaints or comments have been received. Therefore, the quality of service provided by Leighton should be considered satisfactory.

Issue 2: Are the infrastructure and operating condition of Leighton’s water system in compliance with the DEP regulations?

Recommendation: Yes. Leighton’s water system is currently in compliance with DEP regulations.

Issue 3: What are the used and useful percentages for Leighton Estates Utilities, LLC.’s WTP and water distribution system?

Recommendation: Leighton’s WTP and water distribution system should be considered 100 percent used and useful (U&U). Additionally, there appears to be no excessive unaccounted for water (EUW); therefore, staff recommends that no adjustment be made to operating expenses for chemicals and purchased power.

Issue 4: What is the appropriate average test year rate base for Leighton Estates Utilities, LLC.?

Recommendation: The appropriate average test year rate base for Leighton is \$236,146.

Issue 5: What is the appropriate return on equity and overall rate of return for Leighton Estates Utilities, LLC.?

Recommendation: The appropriate return on equity (ROE) is 10.45 percent with a range of 9.45 percent to 11.45 percent. The appropriate rate of return is 6.83 percent.

Issue 6: What are the appropriate test year revenues for Leighton Estates Utilities, LLC’s water system?

Recommendation: The appropriate test year revenues for Leighton’s water system are \$28,269.

ITEM NO.

CASE

12**PAA

Docket No. 20220026-WU – Application for staff-assisted rate case in Marion County, and request for interim rate increase, by Leighton Estates Utilities, LLC.

(Continued from previous page)

Issue 7: What is the appropriate operating expense for Leighton Estates Utilities, LLC.?

Recommendation: The appropriate amount of operating expense for Leighton is \$41,981.

Issue 8: Does Leighton Estates Utilities, LLC. meet the criteria for application of the operating ratio methodology?

Recommendation: No. Leighton does not meet the requirement for application of the operating ratio methodology for calculating the revenue requirement.

Issue 9: What is the appropriate revenue requirement for Leighton Estates Utilities, LLC.?

Recommendation: The appropriate revenue requirement is \$58,098 resulting in an annual increase of \$29,829 (105.52 percent).

Issue 10: What are the appropriate rate structure and rates for Leighton Estates Utilities, LLC.'s water system?

Recommendation: The recommended rate structure and monthly water rates are shown on Schedule No. 4 of staff's memorandum dated November 22, 2022. The utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved rates should not be implemented until staff has approved the proposed customer notice and the notice has been received by the customers. The utility should provide proof of the date notice was given within 10 days of the date of the notice.

Issue 11: Should Leighton Estates Utilities, LLC.'s miscellaneous service charges be revised to conform to amended Rule 25-30.460, F.A.C.?

Recommendation: Yes. Leighton's miscellaneous service charges should be revised to conform to the recent amendment to Rule 25-30.460, F.A.C. The tariff should be revised to reflect the removal of initial connection and normal reconnection charges. Leighton should be required to file a proposed customer notice to reflect the Commission-approved charges. The approved charges should be effective on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved charge should not be implemented until staff has approved the proposed customer notice and the notice has been received by customers. The utility should provide proof of the date notice was given no less than 10 days after the date of the notice.

ITEM NO.

CASE

12**PAA

Docket No. 20220026-WU – Application for staff-assisted rate case in Marion County, and request for interim rate increase, by Leighton Estates Utilities, LLC.

(Continued from previous page)

Issue 12: Should the requested initial customer deposits for Leighton Estates Utilities, LLC. be approved?

Recommendation: The appropriate initial customer deposits should be \$120 for the single family residential 5/8 inch x 3/4 inch meter size for water. The initial customer deposits for all other residential meter sizes and all general service meter sizes should be two times the average estimated bill for water. The approved initial customer deposits should be effective for connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. The utility should be required to collect the approved deposits until authorized to change them by the Commission in a subsequent proceeding.

Issue 13: What is the appropriate amount by which rates should be reduced four years after the published effective date to reflect the removal of the amortized rate case expense?

Recommendation: The rates should be reduced as shown on Schedule No. 4 of staff's memorandum dated November 22, 2022, to remove rate case expense grossed-up for RAFs and amortized over a four-year period. Pursuant to Section 367.081(8), F.S., the decrease in rates should become effective immediately following the expiration of the rate case expense recovery period. Leighton should be required to file revised tariffs and a proposed customer notice setting forth the lower rates and the reason for the reduction no later than one month prior to the actual date of the required rate reduction. If the utility files this reduction in conjunction with a price index or pass-through rate adjustment, the utility shall file separate data for the price index and/or pass-through increase or decrease and the reduction in the rates due to the amortized rate case expense.

ITEM NO.

CASE

12**PAA

Docket No. 20220026-WU – Application for staff-assisted rate case in Marion County, and request for interim rate increase, by Leighton Estates Utilities, LLC.

(Continued from previous page)

Issue 14: Should the recommended rates be approved for Leighton Estates Utilities, LLC. on a temporary basis, subject to refund, in the event of a protest filed by a party other than the utility?

Recommendation: Yes. Pursuant to Section 367.0814(7), F.S., the recommended rates should be approved for the utility on a temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the utility. Leighton should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. In addition, the temporary rates should not be implemented until staff has approved the proposed notice, and the notice has been received by the customers. Prior to implementation of any temporary rates, the utility should provide appropriate security. If the recommended rates are approved on a temporary basis, the rates collected by the utility should be subject to the refund provisions discussed in the staff analysis of staff’s memorandum dated November 22, 2022. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., the utility should file reports with the Commission’s Office of Commission Clerk no later than the 20th of each month indicating the monthly and total amount of money subject to refund at the end of the preceding month. The report filed should also indicate the status of the security being used to guarantee repayment of any potential refund.

Issue 15: Should Leighton Estates Utilities, LLC. be required to notify the Commission within 90 days of an effective order finalizing this docket, that it has adjusted its books for all the applicable NARUC USOA associated with the Commission approved adjustments?

Recommendation: Yes. Leighton should be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission’s decision. Leighton should submit a letter within 90 days of the final order in this docket, confirming that the adjustments to all applicable NARUC USOA primary accounts have been made to the utility’s books and records. In the event the utility needs additional time to complete the adjustments, notice providing good cause should be filed not less than seven days prior to the deadline. Upon providing good cause, staff should be given administrative authority to grant an extension of up to 60 days.

ITEM NO.

CASE

12**PAA

Docket No. 20220026-WU – Application for staff-assisted rate case in Marion County, and request for interim rate increase, by Leighton Estates Utilities, LLC.

(Continued from previous page)

Issue 16: Should this docket be closed?

Recommendation: No. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the Proposed Agency Action Order, a consummating order should be issued. This docket should remain open for staff's verification that the revised tariff sheets and customer notices have been filed by the utility and approved by staff. Also, the docket should remain open to allow the utility to provide the recommended reporting information. Upon staff's approval of the tariff sheets and customer notices, along with staff's completion of its review of the recommended reporting information, this docket should be closed administratively if no adjustments are necessary.

ITEM NO.

CASE

13**PAA

Docket No. 20220034-WS – Application for staff-assisted rate case in Polk County by Hidden Cove, Ltd.

Critical Date(s): 07/11/23 (15-Month Effective Date (SARC))

Commissioners Assigned: All Commissioners

Prehearing Officer: Passidomo

Staff: ECO: Bruce, Hudson

AFD: Higgins, Mouring, Richards

ENG: Ellis, Wooten

GCL: Trierweiler, Harper, Sparks

(Proposed Agency Action Except Issue Nos. 11, 12 and 13)

Issue 1: Is the quality of service provided by Hidden Cove satisfactory?

Recommendation: Yes. Hidden Cove has been responsive to customer complaints and is currently in compliance with the Department of Environmental Protection (DEP) standards; therefore, the quality of service should be considered satisfactory.

Issue 2: Are the infrastructure and operating conditions of Hidden Cove, Ltd's water and wastewater systems in compliance with DEP regulations?

Recommendation: Yes. Hidden Cove's water and wastewater systems are currently in compliance with the DEP.

Issue 3: What are the used and useful (U&U) percentages for Hidden Cove water treatment plant (WTP) and water distribution, WWTP, and wastewater collection systems?

Recommendation: Hidden Cove's WTP, water distribution, WWTP, and wastewater collection system should be considered 100 percent U&U. Staff recommends that for wastewater a 13.3 percent adjustment be made to purchased power and chemicals expenses for excessive infiltration and inflow (I&I). No adjustment is recommended for excessive unaccounted for water (EUW).

Issue 4: What is the appropriate average test year rate base for Hidden Cove?

Recommendation: The appropriate average test year rate base for Hidden Cove is \$66,204 for water and \$12,133 for wastewater.

Issue 5: What is the appropriate return on equity and overall rate of return for Hidden Cove?

Recommendation: The appropriate return on equity (ROE) is 10.45 percent with a range of 9.45 percent to 11.45 percent. The appropriate overall rate of return is 4.82 percent.

Issue 6: What are the appropriate test year revenues for Hidden Cove's water and wastewater systems?

Recommendation: The appropriate test year revenues for Hidden Cove's water system is \$18,751 and \$27,869 for the wastewater system.

ITEM NO.

CASE

13**PAA

Docket No. 20220034-WS – Application for staff-assisted rate case in Polk County by Hidden Cove, Ltd.

(Continued from previous page)

Issue 7: What are the appropriate operating expenses for Hidden Cove?

Recommendation: The appropriate amounts of operating expenses are \$32,529 for water and \$30,942 for wastewater.

Issue 8: Does Hidden Cove meet the criteria for the application of the Operation Ratio Methodology?

Recommendation: Hidden Cove’s water system does not meet the criteria for the application of the Operating Ratio Methodology. However, Hidden Cove’s wastewater system does meet the criteria for the application of the Operating Ratio Methodology for calculating revenue requirement.

Issue 9: What are the appropriate revenue requirements for Hidden Cove?

Recommendation: The appropriate revenue requirements are \$35,720 and \$34,095 for water and wastewater, respectively. These revenue requirements result in annual increases of \$16,969 (90.5 percent) for water and \$6,226 (22.3 percent) for wastewater

Issue 10: What are the appropriate rate structures and rates for Hidden Cove's water and wastewater systems?

Recommendation: The recommended rate structures and monthly water and wastewater rates are shown on Schedule Nos. 4-A and 4-B of staff’s memorandum dated November 22, 2022, respectively. The utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved rates should not be implemented until staff has approved the proposed customer notice and the notice has been received by the customers. The utility should provide proof of the date notice was given within 10 days of the date of the notice.

ITEM NO.

CASE

13**PAA

Docket No. 20220034-WS – Application for staff-assisted rate case in Polk County by Hidden Cove, Ltd.

(Continued from previous page)

Issue 11: What is the appropriate amount by which rates should be reduced four years after the published effective date to reflect the removal of the amortized rate case expense?

Recommendation: The rates should be reduced as shown on Schedule Nos. 4-A and 4-B of staff’s memorandum dated November 22, 2022, to remove rate case expense grossed-up for RAFs and amortized over a four-year period. Pursuant to Section 367.081(8), F.S., the decrease in rates should become effective immediately following the expiration of the rate case expense recovery period. Hidden Cove should be required to file revised tariffs and a proposed customer notice setting forth the lower rates and the reason for the reduction no later than one month prior to the actual date of the required rate reduction. If the utility files this reduction in conjunction with a price index or pass-through rate adjustment, the utility shall file separate data for the price index and/or pass-through increase or decrease and the reduction in the rates due to the amortized rate case expense.

Issue 12: Should the recommended rates be approved for Hidden Cove on a temporary basis subject to refund with interest, in the event of a protest filed by a party other than the utility?

Recommendation: Yes. Pursuant to Section 367.0814(7), F.S., the recommended rates should be approved for the utility on a temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the utility. Hidden Cove should file revised tariff sheets and a proposed customer notice reflecting the Commission-approved rates. The approved rates should be effective for services rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. In addition, the temporary rates should not be implemented until staff has approved the proposed notice, and the notice has been received by the customers. Further, prior to implementing any temporary rates, the utility should provide appropriate financial security.

If the recommended rates are approved on a temporary basis, the rates collected by the utility should be subject to the refund provisions discussed in the staff analysis of staff’s memorandum dated November 22, 2022. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., the utility should file reports with the Commission’s Office of Commission Clerk no later than the 20th of each month indicating both the current monthly and total amount subject to refund at the end of the preceding month. The report filed should also indicate the status of the security being used to guarantee repayment of any potential refund.

ITEM NO.

CASE

13**PAA

Docket No. 20220034-WS – Application for staff-assisted rate case in Polk County by Hidden Cove, Ltd.

(Continued from previous page)

Issue 13: Should Hidden Cove be required to notify the Commission within 90 days of an effective order finalizing this docket, that it has adjusted its books for all the applicable National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts?

Recommendation: Yes. Hidden Cove should be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission’s decision. Hidden Cove should submit a letter within 90 days of the Commission’s final order in this docket, confirming that the adjustments to all applicable NARUC USOA primary accounts have been made to the utility’s books and records. In the event the utility needs additional time to complete the adjustments, a notice providing good cause should be filed not less than seven days prior to the deadline. Upon providing a notice of good cause, staff should be given administrative authority to grant an extension of up to 60 days.

Issue 14: Should this docket be closed?

Recommendation: No. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the Proposed Agency Action Order, a consummating order should be issued. This docket should remain open for staff’s verification that the revised tariff sheets and customer notices have been filed by the utility and approved by staff. Also, the docket should remain open to allow the utility to provide the recommended reporting information. Upon staff’s approval of the tariff sheets and customer notices, along with staff’s completion of its review of the recommended reporting information, this docket should be closed administratively if no adjustments are necessary.

Florida watchdog group's report raises questions about use of 'ghost candidates'

Integrity Florida said there isn't evidence of any ghost candidates in statewide races this year.



Voters drop off mail-in ballots at the Hillsborough County Supervisor of Elections office in Tampa on Tuesday, Nov. 8, 2022. [IVY CEBALLO | Times]

By **Romy Ellenbogen** *Times staff*

Published Yesterday | Updated Yesterday

Government watchdog group Integrity Florida on Monday released a report on the use of so-called “ghost candidates” to affect elections, with the group’s research director saying the use of such candidates in three state Senate elections in 2020 “crossed the legal and moral line.”

The report in particular detailed a 2020 Senate race in South Florida won by Republican Sen. Ileana Garcia, saying that a “ghost candidate” in the race spoiled the outcome by intentionally diverting votes away from the Democratic incumbent. Garcia ultimately won by just 32 votes.

“It amounted to a political dirty trick that at the very least would be considered a cynical take on democracy and worse, a potentially criminal scheme to mislead voters and steal an election,” Ben Wilcox, Integrity Florida’s research director, said in the report.

Integrity Florida, a nonpartisan nonprofit, laid out several policy proposals, including eliminating “dark money” funding, in which certain organizations are not legally required to disclose the sources of their money, in order to help provide more transparency.

It also said it believes a Department of Justice investigation into Florida Power & Light’s involvement in election manipulation is justified. U.S. Rep. Kathy Castor [called for such an investigation in late July.](#)

Records show that FPL’s political consultants [used a nonprofit to steer funding toward a no-party candidate in a 2018 state Senate](#)

race; that candidate helped split the liberal vote and swing the race in favor of the Republican candidate. Unlike in the three 2020 Senate races, the 2018 no-party candidate was not a “ghost candidate,” because he did campaign. Integrity Florida called the 2018 race a “trial run for the ghost candidate scheme that would play out at the state Senate level in 2020.”

FPL has denied any wrongdoing or involvement.

In the 2020 Senate race ultimately won by Garcia, no-party candidate Alex Rodriguez ran and received more than 6,000 votes despite not campaigning. He had the same last name as the Democratic incumbent, Jose Javier Rodriguez.

Alex Rodriguez later admitted to taking \$45,000 in bribes from former Miami state Sen. Frank Artiles to run in the race. Artiles is facing criminal charges.

Earlier this year, a Seminole County Republican Party chairman was found guilty of a campaign finance violation as part of a scheme to siphon votes in favor of [a “ghost candidate” in the Central Florida Senate race.](#)

Integrity Florida says it didn't see evidence of any ghost candidates in statewide races in this election cycle, potentially because those involved in the 2020 races are facing criminal charges. But it said there was one report of a potential spoiler candidate in an Osceola County Commission race, though the accused “ghost candidate” has denied being paid to run and said he was a serious candidate, according to the report.

The report also detailed a loophole used to keep some voters out of certain primary election races.

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Though Florida is a closed primary state — meaning only voters registered with a political party can vote in that party’s primary — a constitutional amendment passed in 1998 said if there is an election where the winner will have no opposition in the general election, all voters can participate in the primary, even if they are of another party or not registered with a party.

But the primary stays closed to only voters in a single political party if there is a write-in candidate. Write-in candidates do not have to pay a fee or collect petition signatures to qualify.

This year, two Republican Pasco county commissioners won primary elections that were closed because of write-in candidates, despite facing no opposition in the general election. [Both write-in candidates](#)

dropped out after the primary, raised no money and made no public profiles. One candidate, who ran as a write-in candidate against Commissioner Gary Bradford, made a campaign donation to Bradford and had Bradford's campaign signs in his yard.

Integrity Florida, in its report, recommended requiring write-in candidates to have to either submit a filing fee or gather petitions as a requirement to run.

Florida Power & Light customers to see price hike in 2023

By [Katie Bente](#)

Published: Dec. 5, 2022 at 7:22 PM EST | Updated: 19 hours ago



BAY COUNTY, Fla. (WJHG/WECP) - Switching from Gulf Power to Florida Power & Light was a [heated topic](#) earlier this year as residents say they saw a steep hike in prices. Now looking into the new year, there is another thing coming that no one wants to see going up.

“The bills are expected to go up mainly due to increased fuel costs, as we’ve seen in so many things at the gas pump, and energy prices we’re not immune to that either, unfortunately,” Sarah Gatewood, a spokesperson for Florida Power & Light, said. “And so the cost of power in all of our power plants and for a big portion of the energy that we produce, those costs have skyrocketed in the last few months.”

FPL customers across Northwest Florida will see price hikes starting in February.

“Keep in mind that customers use different amounts of energy, so that will look different depending upon how much energy you use. In Northwest Florida, we do have a tiered rate structure now where you pay a higher amount for all the energy that you use over a certain amount.”

Price hikes with Florida Power & Light

0:02

By [Katie Bente](#)

Published: Feb. 2, 2022 at 6:25 PM EST



BAY COUNTY, Fla. (WJHG/WECP) - Energy bills are going up and locals are speaking out. The recent switch from seems to have caused some heat.

A warm home on a chilly day is something we often take for granted until the bill comes in.

In January, Gulf Power switched to FPL, and it changed more than just a logo. Many residents said they have been

"It's \$520.51. Our house rent is \$755 a month, and that's not right to be having a power bill that's almost as much a Danielle Cash said.