

# FLORIDA PUBLIC SERVICE COMMISSION

## ADDENDUM\*

### COMMISSION CONFERENCE AGENDA

**CONFERENCE DATE AND TIME:** Tuesday, December 17, 2013, 9:30 a.m.

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

**DATE ISSUED:** December 9, 2013

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## 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 agenda item number.

To participate informally, affected persons need only appear at the agenda conference and request the opportunity to address the Commission on an item listed on 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 Rule 25-22.0021, F.A.C., concerning Agenda Conference participation and Rule 25-22.0022, F.A.C., concerning oral argument.

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In accordance with the American 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, via 1-800-955-8770 (Voice) or 1-800-955-8771 (TDD), Florida Relay Service. Assistive Listening Devices are available at 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 PSC's Web site. Upon completion of the conference, the video will be available from the Web site by selecting *Conferences & Meeting Agendas*, then *Audio and Video Event Coverage*.

\* Revised Item 6 and added Item 6A.

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**ITEM NO.**

**CASE**

1\*\*

**Consent Agenda**

PAA

A) Applications for Certificates of Authority to Provide Telecommunications Service and Transfer of Certificate.

<u>DOCKET NO.</u>	<u>COMPANY NAME</u>	<u>CERT. NO.</u>
130150-TX	Universal Local Exchange Carrier of Florida, LLC	8850
130252-TX	NET TALK COM, INC.	8854
130263-TX	Barr Tell USA, Inc.	8853
130264-TX	Time Warner Cable Business LLC and Transfer of Certificate 8679	8679

PAA

B) Docket No. 130274-GU – Chesapeake Utilities Corporation (Company) seeks authority to issue common stock, preferred stock and secured and/or unsecured debt, and to enter into agreements for interest rate swap products, equity products and other financial derivatives, and to issue short-term borrowings in 2014.

The Company seeks authority to issue during calendar year 2014: up to 6,561,146 shares of Chesapeake common stock, up to 1,000,000 shares of Chesapeake preferred stock, up to \$180 million in secured and/or unsecured debt, to enter into agreements up to \$100 million in interest rate swap products, equity products and other financial derivatives, and to issue short-term obligations in an amount not to exceed \$165 million.

Chesapeake Utilities Corporation allocates funds to the Florida Division, Florida Public Utilities, and Indiantown Gas Company on an as-needed basis, although in no event would such allocations exceed 75 percent of the proposed equity securities (common stock and preferred stock), long-term debt, short-term debt, interest rate swap products, equity products, and financial derivatives.

**Recommendation:** The Commission should approve the action requested in the dockets referenced above and close Docket Nos. 130150-TX, 130252-TX, 130263-TX and 130264-TX. For monitoring purposes, Docket No. 130274-GU should remain open until April 30, 2015, to allow the Company time to file the required Consummation Report.

**ITEM NO.**

**CASE**

2

**Docket No. 060774-EI** – Complaint of Frederick Smallakoff against Florida Power & Light Company concerning alleged improper bills, Case No. 696236E.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Brisé

**Staff:** GCL: Lawson

CAO: Plescow

ECO: Daniel

**(Decision on Motion for Reconsideration - Oral Argument Not Requested - Participation is at the Commission's discretion.)**

**Issue 1:** Should Mr. Smallakoff's motion for reconsideration in this matter be granted?

**Recommendation:** No, the Commission should deny Mr. Smallakoff's motion for reconsideration, as it does not identify any point of fact or law that was overlooked, or that the Commission failed to consider in rendering any of its decisions in this matter.

**Issue 2:** Should this docket be closed?

**Recommendation:** Yes. If the Commission approves staff's recommendation on Issue 1, this docket should be closed.

**ITEM NO.**

**CASE**

3

**Docket No. 120176-EI** – Complaint of Frederick Smallakoff against Progress Energy Florida, Inc. concerning alleged improper bills, Case No. 1059336E.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Balbis

**Staff:** GCL: Lawson

CAO: Forsman, Hicks

ECO: King

ENG: Moses

**(Decision on Motion for Reconsideration - Oral Argument Not Requested - Participation is at the Commission's Discretion.)**

**Issue 1:** Should Mr. Smallakoff's motion for reconsideration in this matter be granted?

**Recommendation:** No, the Commission should deny Mr. Smallakoff's motion for reconsideration, as it does not identify any point of fact or law that was overlooked, or that the Commission failed to consider in rendering any of its decisions in this matter.

**Issue 2:** Should this docket be closed?

**Recommendation:** Yes. If the Commission approves staff's recommendation on Issue 1, this docket should be closed.

**ITEM NO.**

**CASE**

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4\*\*

**Docket No. 120161-WS** – Analysis of Utilities, Inc.'s financial accounting and customer service computer system.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Brown

**Staff:** AFD: T. Brown, Fletcher, Maurey

GCL: Barrera

**Issue 1:** Should the Joint Motion Requesting Commission Approval of Stipulation and Settlement Agreement be approved?

**Recommendation:** Yes. The joint motion, as well as the Settlement Agreement, should be approved.

**Issue 2:** Should this docket be closed?

**Recommendation:** No. This docket should remain open to complete the hearing process.

**ITEM NO.**

**CASE**

5\*\*PAA

**Docket No. 120311-GU** – Petition for approval of positive acquisition adjustment to reflect the acquisition of Indiantown Gas Company by Florida Public Utilities Company.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Administrative

**Staff:** AFD: Trueblood, Bullard, D. Buys, Gardner, Fletcher, Maurey, Prestwood

ECO: Ollila

ENG: L'Amoreaux

GCL: Klancke

**Issue 1:** Should the Commission approve FPUC's proposal to record a \$745,800 positive acquisition adjustment to be amortized over a 15-year period, beginning August 1, 2010?

**Recommendation:** Yes. FPUC should be allowed to record the \$745,800 purchase price premium as a positive acquisition adjustment to be amortized over a 15-year period, beginning August 1, 2010. The acquisition adjustment should be recorded in Account 114 – Gas Plant Acquisition Adjustments and the amortization expense should be recorded in Account 406 – Amortization of Gas Plant Acquisition Adjustments. The level of the actual cost savings supporting FPUC's request should be subject to review in FPUC's next rate case proceeding, and if it is determined in that proceeding that the cost savings no longer exist, the acquisition adjustment could be partially or totally removed as deemed appropriate by the Commission. FPUC-Indiantown should file its earnings surveillance reports (ESRs) with and without the effect of the acquisition adjustment.

**Issue 2:** What is the amount, if any, of excess earnings for 2011 and 2012 for the FPUC-Indiantown Division?

**Recommendation:** The FPUC-Indiantown Division does not have excess earnings for 2011 and 2012, based on the inclusion of the acquisition adjustment recommended in previous issues.

**Issue 3:** What is the appropriate disposition of the 2011 and 2012 excess earnings, if any, for the FPUC-Indiantown Division?

**Recommendation:** The FPUC-Indiantown Division does not have any excess earnings for 2011 and 2012. Staff notes that this issue is moot if the recommendation in Issue 2 is approved.

**Issue 4:** Should this docket be closed?

**Recommendation:** Yes. 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 the consummating order.

**ITEM NO.**

**CASE**

6\*\*

**Docket No. 130007-EI** – Environmental cost recovery clause.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Balbis

**Staff:** ENG: Graves

ECO: Draper, Wu

GCL: Murphy

**(Parties May Participate in Issue 1 Only.)**

**Issue 1:** Should the Commission acknowledge FPL’s Notice of Voluntary Dismissal Without Prejudice of NO<sub>2</sub> Project Petition, Intent to File Amended Petition, and Withdrawal of Motion to Postpone Hearing?

**Recommendation:** Yes. The Commission should acknowledge FPL’s Notice of Voluntary Dismissal Without Prejudice of NO<sub>2</sub> Project Petition, Intent to File Amended Petition, and Withdrawal of Motion to Postpone Hearing.

**Issue 2:** Should the Commission revise FPL’s 2014 ECRC factors to reflect the removal of costs associated with the Company’s NO<sub>2</sub> Compliance Project?

**Recommendation:** Yes, the Commission should revise FPL’s 2014 ECRC factors to reflect the removal of costs associated with the Company’s NO<sub>2</sub> Compliance Project. The new ECRC factors should become effective with the first billing cycle in 2014, which falls on January 2, 2014. The recommended ECRC factors are presented in Attachment B of staff’s memorandum dated December 9, 2013.

**Issue 3:** Should this docket be closed?

**Recommendation:** No. The Environmental Cost Recovery Clause is an on-going docket and should remain open.



**ITEM NO.**

**CASE**

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6A                      **Docket No. 130198-EI** – Petition for prudence determination regarding new pipeline system by Florida Power & Light Company.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:**                Graham

**Staff:** ENG: Matthews, Ellis

                  GCL: Tan, Corbari

**(Motion to Dismiss - Oral Argument Not Requested - Participation at Commission's Discretion.)**

**Issue 1:** Should Florida Power & Light Company's Motion to Dismiss be granted?

**Recommendation:** Yes. FPL's Motion to Dismiss should be granted. The Petitioners have not pled facts sufficient to demonstrate that they have suffered an injury in fact or that the nature of these proceedings is designed to protect any injury the Petitioners have alleged. Staff recommends that Proposed Agency Action Order, Order No. PSC-13-0505-PAA-EI, should be deemed final and effective.

**Issue 2:** Should this docket be closed?

**Recommendation:** Yes. If the Commission agrees with staff regarding Issue 1, then the Petition for Formal Evidentiary Proceeding Based on Disputed Issues of Fact filed by Beth M. Gordon, Arlene Bell and Freddie Bell, Mian J. Matvejs, and Gertrude C. Dickinson should be dismissed. Order No. PSC-13-0505-PAA-EI should become final and effective.

**ITEM NO.**

**CASE**

7\*\*PAA

**Docket No. 130180-WS** – Application for original certificates to provide water and wastewater service in Lake County by Sunlake Estates Utilities, L.L.C.

**Critical Date(s):** Statutory Deadline for Original Certificates Pursuant to Section 367.031, Florida Statutes, waived to 12/17/13.

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Balbis

**Staff:** ENG: P. Buys

AFD: Fletcher, Norris

ECO: Roberts

GCL: Gilcher

**(Proposed Agency Action except for Issue 1.)**

**Issue 1:** Should the application of Sunlake Estates Utilities, L.L.C. for water and wastewater certificates be approved?

**Recommendation:** Yes. The Commission should grant Sunlake water and wastewater Certificate Nos. 665-W and 569-S, respectively, to serve the territory described in Attachment A of staff's memorandum dated December 5, 2013, effective the date of the Commission's vote. The resultant order should serve as the Utility's water and wastewater certificates and should be retained by the Utility as such.

**Issue 2:** What are the appropriate initial water and wastewater rates and return on equity for Sunlake Estates Utilities, L.L.C.?

**Recommendation:** Staff's recommended monthly water and wastewater rates shown on Schedule Nos. 2 and 3 of staff's memorandum dated December 5, 2013, are reasonable and should be approved. 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 services rendered on or after the stamped approval date of the revised tariff sheets, pursuant to Rule 25-30.475(1), F.A.C. In addition, the rates should not be implemented until staff has approved the proposed customer notice. The Utility should provide proof of the date the notice was given within 10 days of the date of the notice. The Utility should be required to charge the approved rates until a change is authorized by the Commission in a subsequent proceeding. A return on equity of 11.16 percent as shown on Schedule No. 1 of staff's memorandum dated December 5, 2013, with a range of plus or minus 100 basis points, should also be approved.

**ITEM NO.**

**CASE**

7\*\*PAA

**Docket No. 130180-WS** – Application for original certificates to provide water and wastewater service in Lake County by Sunlake Estates Utilities, L.L.C.

(Continued from previous page)

**Issue 3:** What are the appropriate miscellaneous service charges fees for Sunlake Estates Utilities, L.L.C.?

**Recommendation:** The miscellaneous service charges identified in Schedule 4 of staff’s memorandum dated December 5, 2013, are reasonable and should be approved. Sunlake should be required to file a proposed customer notice to reflect the Commission-approved miscellaneous service charges. The approved charges 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(1), F.A.C. In addition, the approved charges should not be implemented until staff has approved the proposed customer notice. The Utility should provide proof of the date notice was given no less than 10 days after the date of the notice.

**Issue 4:** What is the appropriate initial customer deposit for Sunlake Estates Utilities, L.L.C.?

**Recommendation:** Staff recommends an initial residential customer deposit of \$60.00 for water, \$88.00 for wastewater, and two-times the average bill for the initial general service customer deposit, as shown on Schedule No. 4 of staff’s memorandum dated December 5, 2013, should be approved. The Utility should file a revised tariff sheet and proposed notice consistent with the Commission’s vote. The initial customer deposits should become effective for connections made on or after the stamped approval date of the revised tariff sheet after the customers have been notified.

**Issue 5:** Should Sunlake Estates Utilities, L.L.C.’s proposed service availability policy and meter installation charge be approved?

**Recommendation:** Yes. The Utility’s proposed service availability policy described in the staff analysis and meter installation charge shown on Schedule No. 4 of staff’s memorandum dated December 5, 2013, are consistent with the guidelines contained in Rule 25-30.580(1)(a), F.A.C., and should be approved. Sunlake should be required to apply its approved service availability policy and to collect its approved service availability charges until authorized to change them by this Commission in a subsequent proceeding. The approved policy and charges should be effective for connections made on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475(1), F.A.C.

**ITEM NO.**

**CASE**

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7\*\*PAA

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**Docket No. 130180-WS** – Application for original certificates to provide water and wastewater service in Lake County by Sunlake Estates Utilities, L.L.C.

(Continued from previous page)

**Issue 6:** Should this docket be closed?

**Recommendation:** If no timely protest to the proposed agency action issues is filed with the Commission by a substantially affected person, a Consummating Order should be issued. However, the docket should remain open to allow Sunlake to file a proposed customer notice reflecting the Commission-approved water and wastewater rates and charges and to provide proof of the date notice was given no less than 10 days after the date of the notice. Upon completion by the Utility of the above required actions, the docket should be closed administratively.

**ITEM NO.**

**CASE**

8\*\*

**Docket No. 130167-EG** – Petition for approval of natural gas energy conservation programs for commercial customers, by Associated Gas Distributors of Florida.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Brown

**Staff:** ECO: S. Brown, Ortega, Harlow

ENG: Ellis, Jopling, Vickery

GCL: Corbari, Teitzman

**Issue 1:** Should the Commission approve the Associated Gas Distributors of Florida's (AGDF) petition on behalf of its member local distribution companies (LDCs) to offer Natural Gas Energy Conservation Programs for Commercial Users?

**Recommendation:** Yes. The Commission should approve AGDF's petition to offer Natural Gas Energy Conservation Programs for Commercial Users because the programs meet the filing requirements of Rule 25-17.009, F.A.C., and based on the standards in this rule, appear to be cost-effective. To ensure that the programs remain cost-effective, staff intends to monitor the participation rates, rebate levels, and program costs as part of the Commission's Natural Gas Cost Recovery Clause proceedings.

**Issue 2:** Should this docket be closed?

**Recommendation:** Yes. 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**

9\*\*

**Docket No. 130250-WU** – Application for approval of miscellaneous service charges in Pasco County, by Holiday Gardens Utilities, Inc.

**Critical Date(s):** 60-Day Suspension Date Waived Through 12/20/2013.

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Administrative

**Staff:** ECO: Bruce

GCL: Gilcher

**Issue 1:** Should the Commission approve Holiday Gardens' requested miscellaneous service charges?

**Recommendation:** Yes. An after hours normal reconnection charge, a convenience charge, a late payment charge, and a meter tampering charge should be approved as shown on Schedule No. 1 of staff's memorandum dated November 20, 2013. Holiday Gardens should be required to file a proposed customer notice to reflect the Commission-approved charges. The approved charges 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(1), F.A.C. In addition, the approved charges should not be implemented until staff has approved the proposed customer notice. The Utility should provide proof of the date notice was given no less than ten days after the date of the notice.

**Issue 2:** What is the appropriate initial customer deposit for Holiday Gardens Utilities, Inc.?

**Recommendation:** Staff recommends that an initial residential customer deposit of \$25.00 and an initial general service customer deposit of two-times the average bill should be approved. The Utility should file a revised tariff sheet and proposed notice consistent with the Commission's vote. The initial customer deposits should become effective for connections made on or after the stamped approval date of the revised tariff sheet after the customers have been notified.

**Issue 3:** Should this docket be closed?

**Recommendation:** No. If the issues are approved, the docket should remain open pending staff's verification that the revised tariff sheets and customer notice have been filed by the Utility and approved by staff. If no timely protest is filed, a consummating order should be issued and, once staff verifies that the notice of the charge has been given to customers, the docket should be administratively closed.

**ITEM NO.**

**CASE**

10\*\*

**Docket No. 130251-WU** – Application for approval of miscellaneous service charges in Pasco County, by Crestridge Utility Corporation.

**Critical Date(s):** 60-Day Suspension Date Waived Through 12/20/2013.

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Administrative

**Staff:** ECO: Bruce

GCL: Gilcher

**Issue 1:** Should the Commission approve Crestridge's requested miscellaneous service charges?

**Recommendation:** Yes. An after hours normal reconnection charge, a convenience charge, a late payment charge, and a meter tampering charge should be approved as shown on Schedule No. 1 of staff's memorandum dated November 26, 2013. Crestridge should be required to file a proposed customer notice to reflect the Commission-approved charges. The approved charges 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(1), F.A.C. In addition, the approved charges should not be implemented until staff has approved the proposed customer notice. The Utility should provide proof of the date notice was given no less than ten days after the date of the notice.

**Issue 2:** What is the appropriate initial customer deposit for Crestridge?

**Recommendation:** Staff recommends that an initial residential customer deposit of \$25.00 and an initial general service customer deposit of two-times the average bill should be approved. The Utility should file a revised tariff sheet and proposed notice consistent with the Commission's vote. The initial customer deposits should become effective for connections made on or after the stamped approval date of the revised tariff sheet after the customers have been notified.

**Issue 3:** Should this docket be closed?

**Recommendation:** No. If the issues are approved, the docket should remain open pending staff's verification that the revised tariff sheets and customer notice have been filed by the Utility and approved by staff. If no timely protest is filed, a consummating order should be issued and, once staff verifies that the notice of the charge has been given to customers, the docket should be administratively closed.