

FLORIDA PUBLIC SERVICE COMMISSION

COMMISSION CONFERENCE AGENDA

CONFERENCE DATE AND TIME: Tuesday, January 7, 2014, 9:30 a.m.

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

DATE ISSUED: December 23, 2013

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*.

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ITEM NO.

CASE

1**

Docket No. 120161-WS – Analysis of Utilities, Inc.'s financial accounting and customer service computer system. (Deferred from December 17, 2013 Commission Conference.)

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

2**PAA

Docket No. 120209-WS – Application for increase in water and wastewater rates in Marion, Orange, Pasco, Pinellas, and Seminole Counties by Utilities, Inc. of Florida.

Critical Date(s): 5-Month Effective Date Waived Through 11/14/13

Commissioners Assigned: All Commissioners

Prehearing Officer: Edgar

Staff: AFD: T. Brown, Fletcher, Maurey

APA: Deamer, Dobiac, Mailhot

ECO: Bruce, Daniel, Hudson, Roberts, Thompson

GCL: Lawson

Issue 1: Should the revenue requirements and resulting rates, approved by the Commission on November 14, 2013, be revised to correct errors related to the Utility's roll-forward adjustments?

Recommendation:

Yes. The resulting revenue impacts for all systems for this case are reflected below:

<u>County/System</u>	<u>PAA Revenue Increase (or Decrease)</u>	<u>PAA % Change</u>	<u>Revised Revenue Increase (or Decrease)</u>	<u>Revised % Change</u>
Orange - Water	\$25,121	21.65%	\$10,565	9.10%
Pasco - Water	\$192,354	21.24%	\$188,824	20.85%
Pasco - Wastewater	(\$12,337)	(2.34%)	(\$63,346)	(12.00%)
Pinellas - Water	\$62,989	59.89%	\$62,327	59.26
Seminole - Water	\$218,837	24.96%	\$215,440	24.57%
Seminole - Wastewater	\$104,030	12.74%	\$70,033	8.57%

The resulting water and wastewater rates from the corrected revenue requirements are shown on Schedule Nos. 4-A through 4-E.

ITEM NO.

CASE

2**PAA

Docket No. 120209-WS – Application for increase in water and wastewater rates in Marion, Orange, Pasco, Pinellas, and Seminole Counties by Utilities, Inc. of Florida.

(Continued from previous page)

Issue 2: Should the initial interim refund calculations be revised, and, if so, what is the amount of any refunds?

Recommendation: Yes. The appropriate refund amounts should be calculated by using the same data used to establish final rates, excluding rate case expense and other items not in effect during the interim period. The revised revenue requirements for the interim collection period should be compared to the amount of interim revenues granted. The revenue requirements granted in the Interim Order for the test year are less than the revised revenue requirements for the interim collection period for Pasco County water and Seminole County water and wastewater. This results in no interim refunds for these systems. The revenue requirement granted for Orange County water in the Interim Order for the test year is greater than the revised revenue requirement for the interim collection period, which results in a refund of 7.99 percent of water revenues collected under interim rates. The refunds should be made with interest in accordance with Rule 25-30.360(4), F.A.C. The Utility should be required to submit proper refund reports, pursuant to Rule 25-30.360(7), F.A.C. The Utility should treat any unclaimed refunds as CIAC, pursuant to Rule 25-30.360(8), F.A.C. Further, the corporate undertaking should be released upon staff's verification that the required refunds have been made.

Issue 3: 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 notices have been filed by the Utility and approved by staff, and that the interim refund for Orange County water has been completed and verified by staff. Once these actions are complete, this docket should be closed administratively, and the corporate undertaking should be released.

ITEM NO.

CASE

3**PAA

Docket No. 130005-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): 03/31/14 (Statutory Reestablishment Deadline)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: AFD: T. Brown, Fletcher, Maurey

GCL: Klancke

(This recommendation should also be placed in Docket No. 140005-WS, upon its establishment on January 2, 2014.)

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 2014 price index by using a fiscal year, four quarter comparison of the Implicit Price Deflator Index ending with the third quarter 2013.

Issue 2: What rate should be used by water and wastewater utilities for the 2014 Price Index?

Recommendation: The 2014 Price Index for water and wastewater utilities should be 1.41 percent.

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

Recommendation: Pursuant to Rule 25-30.420(1), F.A.C., the Office of Commission Clerk, after the expiration of the Proposed Agency Action (PAA) protest period, should mail each regulated water and wastewater utility a copy of the PAA order establishing the index containing the information presented in Form PSC/ECR 15 (4/99) and Appendix A (Attachment 1 of staff's memorandum dated December 23, 2013). A cover letter from the Director of the Division of Accounting and Finance should be included with the mailing of the order (Attachment 2 of staff's memorandum dated December 23, 2013). The entire package will 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 on January 2, 2015.

ITEM NO.

CASE

4**PAA

Docket No. 130273-GU – Petition for approval to extend environmental surcharge by Florida Division of Chesapeake Utilities Corporation.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: AFD: Trueblood, Fletcher, Maurey

GCL: Klancke

Issue 1: Should the Commission approve a 20-month extension of the Environmental Surcharge to recover the additional costs related to remediation activities of the Company's former manufactured gas plant (MGP) site in Winter Haven, Florida?

Recommendation: Yes. The Commission should approved a 20-month extension of the Environmental Surcharge to allow the Company to recover a net amount of \$380,781 related to remediation activities of the Company's former MGP site in Winter Haven, Florida. In addition, any over/under-recovery should be included in the Company's true-up at the conclusion of the extended period. The 20-month extension should commence January 1, 2014 and remain in place through August 31, 2015. Staff also recommends that this matter be addressed in Chesapeake's next rate case if one is filed before the surcharge period expires.

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

5**PAA

Docket No. 130249-EI – Petition for approval of amended standard offer contract and rate schedule (Schedule COG-2), by Duke Energy Florida, Inc.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Brown

Staff: ENG: Matthews, Mtenga

GCL: Tan

Issue 1: Should the Commission approve the amended standard offer contract filed by Duke Energy Florida, Inc.?

Recommendation: Yes. The provisions of the amended standard offer contract and associated schedules, as filed October 8, 2013, conform to all requirements of Rules 25-17.200 through 25-17.310, F.A.C. The amended standard offer contract provides flexibility in the arrangements for payments so that a developer of renewable generation may select the payment stream best suited to its financial needs.

Issue 2: Should this docket be closed?

Recommendation: Yes. This docket should be closed upon issuance of a Consummating Order, unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the Commission's Proposed Agency Action Order. Potential signatories should be aware that, if a timely protest is filed, DEF's standard offer contract may subsequently be revised.

ITEM NO.

CASE

6**

Docket No. 130223-EI – Petition for approval of optional non-standard meter rider, by Florida Power & Light Company.

Critical Date(s): 04/21/14 (8-Month Effective Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Edgar

Staff: ECO: Draper, King, Rome

GCL: Lawson

IDM: Clemence, Marr

Issue 1: Should the Commission approve FPL's proposed NSMR tariff?

Recommendation: No, the proposed tariff as filed should be denied. FPL should be given the option to file a revised NSMR tariff within 10 days of the Commission's vote for administrative approval by staff that contains the following three adjustments: (1) extend recovery period for up-front system and communication costs from three to five years; (2) reduce number of customer care employees from four to one employee after year two; and (3) eliminate meter reading lead position after year two. The three adjustments result in a reduction from \$105 to \$95 in the enrollment fee, and a reduction from \$16 to \$13 in the monthly surcharge. FPL should also be required as part of its annual progress reports to track and report enrollment, revenues, and costs associated with the NSMR tariff, to ensure the tariff remains cost based or be adjusted through a revised tariff filing.

Issue 2: Should this docket be closed?

Recommendation: If the Commission approves staff's recommendation in Issue 1, FPL timely files a revised NSMR tariff, and a protest is filed within 21 days of the issuance of the order, the revised tariffs should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If FPL timely files a revised NSMR tariff and no timely protest is filed, this docket should be closed upon the issuance of a consummating order. As noted in Issue 1, the NSMR tariff should become effective once FPL notifies staff that the billing system has been implemented, currently expected to be on or about April 1, 2014.

If the Commission approves staff's recommendation in Issue 1, FPL does not timely file a revised NSMR tariff meeting the conditions of the order, and a protest is filed within 21 days of the issuance of the order, the tariffed charges originally requested in FPL's August 21, 2013 filing could be placed into effect, with any revenues held subject to refund, pending resolution of the protest. If FPL does not timely file a revised NSMR tariff and no timely protest is filed, the docket should be closed upon the issuance of a consummating order.

ITEM NO.

CASE

7**

Docket No. 130276-SU – Application for approval of new class of service for reuse water service in Lee County, by Forest Utilities, Inc.

Critical Date(s): 01/18/14 (60-Day Suspension Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Roberts

GCL: Brownless

Issue 1: Should the Utility's proposed tariff sheet for approval of a reuse water rate for a new class of service be suspended?

Recommendation: Yes, Forest's proposed tariff sheet for approval of a reuse water rate for a new class of service should be suspended.

Issue 2: Should the docket be closed?

Recommendation: No. The docket should remain open pending the Commission's final action on the Utility's requested new class of service for reuse water.

ITEM NO.

CASE

8**

Docket No. 130225-EQ – Petition for approval of modification to standard interconnection agreements contained in tariffs, by Florida Power & Light Company.

Critical Date(s): 02/13/14 (90-Day Deadline for Rule Waiver)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: IDM: B. Crawford, Clemence

ECO: Garl

ENG: Matthews

GCL: Corbari

Issue 1: Should the Commission approve FPL's request for permanent waiver of the manual disconnect switch location requirement portion of Rule 25-6.065(6)(a), F.A.C.?

Recommendation: Yes. The Commission should grant FPL's request for permanent waiver of the manual disconnect switch location requirement portion of Rule 25-6.065(6)(a), F.A.C., provided that: (1) mounting the manual disconnect switch adjacent to the meter socket would not be practical for engineering design or safety reasons; (2) FPL and the customer mutually agree on where the manual disconnect switch should be located; (3) the location of the manual disconnect switch meets all applicable safety and engineering standards; and (4) the customer is required to install a permanent, weather-proof plaque adjacent to the FPL meter socket, which clearly indicates the location of the manual disconnect switch on the customer's premises.

Issue 2: Should the Commission approve FPL's other proposed changes to their Standard Interconnection Agreement?

Recommendation: Yes. Staff recommends that the Commission approve FPL's Standard Interconnection Agreement Tariff for Customer-Owned Renewable Generation regarding the manual disconnect switch requirement, the indemnity and insurance provisions, the definition of "Gross Power Rating," and remaining minor corrections.

Issue 3: Should this docket be closed?

Recommendation: Yes. If Issues 1 and 2 are approved, this tariff should become effective upon issuance of a consummating order. If a protest is filed within 21 days of the issuance of the order, this tariff 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.