

FLORIDA PUBLIC SERVICE COMMISSION

COMMISSION CONFERENCE AGENDA

CONFERENCE DATE AND TIME: Tuesday, February 2, 2016, 9:30 a.m.

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

DATE ISSUED: January 21, 2016

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.

Conference agendas, staff recommendations, and vote sheets are available from the PSC website, <http://www.floridapsc.com>, by selecting *Conferences & Meeting Agendas* and *Commission Conferences of the FPSC*. Once filed, a verbatim transcript of the Commission Conference will be available from this page by selecting the conference date, or by selecting *Clerk's Office* and the Item's docket number (you can then advance to the *Docket Details* page and the Document Filings Index for that particular docket). An official vote of "move staff" denotes that the Item's recommendations were approved. If you have any questions, contact the Office of Commission Clerk at (850) 413-6770 or Clerk@psc.state.fl.us.

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, 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 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*.

Table of Contents
 Commission Conference Agenda
 February 2, 2016

1**	Consent Agenda	1
2**PAA	Docket No. 140153-WS – Complaint No. 1139452W by Ahman Atshan against Pluris Wedgefield, Inc. for alleged overbilling.....	3
3	Docket No. 150185-EI – Complaint by Erika Alvarez, Jerry Buechler, and Richard C. Silvestri against Florida Power & Light Company.	4
4**PAA	Docket No. 000121B-TP – Investigation into the establishment of operations support systems permanent performance measures for incumbent local exchange telecommunications companies. (CENTURYLINK FLORIDA TRACK)	5
5	Docket No. 150257-WS – Application for staff-assisted rate case in Marion County, by East Marion Utilities, LLC.....	6
6**PAA	Docket No. 150223-EI – Petition for approval of new environmental program for cost recovery through Environmental Cost Recovery Clause, by Tampa Electric Company.....	8
7**PAA	Docket No. 150208-EI – Petition for base rate reduction reflecting end of amortization period for retired plant, by Florida Power & Light Company.....	9
8**PAA	Docket No. 150262-EU – Joint petition for approval of joint termination of settlement agreement by Tampa Electric Company and Mosaic Fertilizer, LLC. 10	
9	Docket No. 160001-EI – Fuel and purchased power cost recovery clause with generating performance incentive factor.	11
10**PAA	Docket No. 150218-GU – Petition for approval to discontinue charging multiple purchased gas adjustment (PGA) factors, by Peoples Gas System.	12
11**PAA	Docket No. 150232-GU – Petition for approval of variance from area extension program (AEP) tariff to delay true-up and extend amortization period, by Florida City Gas.	13
12**	Docket No. 150260-WS – Request for approval of late payment charges and return check (NSF) charge and request for approval of amendment to tariff sheets for miscellaneous service charges in Lake County by Brendenwood Waterworks, Inc., Harbor Waterworks, Inc., Lake Idlewild Waterworks, Inc., and Raintree Waterworks, Inc., and in Highlands County by Country Walk Utilities, Inc.	14

ITEM NO.

CASE

1**

Consent Agenda

- A) Docket No. 150251-GU – Application for authorization 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 exceed limitation placed on short-term borrowings in 2016, by Chesapeake Utilities Corporation.

Chesapeake Utilities Corporation (Chesapeake or utility) seeks authority to issue during calendar year 2016: up to 7,965,000 shares of Chesapeake common stock, up to 1,000,000 shares of Chesapeake preferred stock, up to \$300 million in secured and/or unsecured debt, to enter into agreements up to \$150 million in interest rate swap products, equity products and other financial derivatives and to issue short-term obligations in an amount not to exceed \$225 million. Chesapeake would utilize its short-term lines of credit and revolving credit for this purpose.

Chesapeake 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.

Pursuant to Section 366.04, Florida Statutes, the Commission shall have jurisdiction to regulate and supervise each public utility in the issuance and sale of its securities, except a security which is a note or draft maturing not more than one year after the date of such issuance and sale and aggregating not more than five percent of the par value of the other securities of the public utility then outstanding.

For 2016, five percent of the utility's aggregate outstanding balance of other securities is \$8,641,078. Chesapeake requests approval to exceed the five percent limit on short-term debt to administer the Retirement Savings plan, Stock and Incentive Compensation Plan, Dividend Reinvestment and Stock Purchase Plan, Financing of the Utility's acquisition program and other corporate purposes. Staff believes the Utility's request conforms to Section 366.04, Florida Statutes, and the dollar amounts proposed in the application are reasonable.

Staff has reviewed the utility's projected capital expenditures. The amount requested by Chesapeake exceeds its expected capital expenditures. The additional amount requested exceeding the projected capital expenditures allows for financial flexibility for the purposes enumerated in the utility's petition as well as unexpected events such as hurricanes, financial market disruptions, and other unforeseen circumstances. Staff believes the requested amounts are appropriate. Staff recommends the utility's petition to issue securities be approved.

ITEM NO.

CASE

1**

Consent Agenda

(Continued from previous page)

PAA

B) Application for Certificate of Authority to Provide Telecommunications Service.

<u>DOCKET NO.</u>	<u>COMPANY NAME</u>
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150258-TX	InteleTel, LLC
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Recommendation: The Commission should approve the actions requested in the dockets referenced above and close Docket No. 150258-TX. For monitoring purposes, Docket No. 150251-GU should remain open until May 1, 2017, to allow the utility time to file the required Consummation Report.

ITEM NO.

CASE

2**PAA

Docket No. 140153-WS – Complaint No. 1139452W by Ahman Atshan against Pluris Wedgefield, Inc. for alleged overbilling.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Edgar

Staff: GCL: Tan, Lherisson

ECO: Thompson

ENG: P. Buys, Graves

Issue 1: Should the Commission grant the relief requested by the Customer in his complaint?

Recommendation: No. The Customer was not overbilled, staff has identified no rule violation, and to the extent that the Customer may be requesting the award of damages, the Commission has no jurisdiction to make such an award.

Issue 2: Should this docket be closed?

Recommendation: Yes, with the resolution of Issue 1, staff recommends that this docket be closed. If there is no timely protest by a substantially affected party, the docket should be closed.

ITEM NO.

CASE

3

Docket No. 150185-EI – Complaint by Erika Alvarez, Jerry Buechler, and Richard C. Silvestri against Florida Power & Light Company.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Edgar

Staff: GCL: Corbari, Lherisson

ECO: Harlow, Margolis

IDM: Dowds, Marr

(Motion to Dismiss - Oral Argument Not Requested.)

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

Recommendation: Yes. Staff recommends that the Commission grant FPL's Motion to Dismiss and dismiss the Amended Complaint with prejudice because the Amended Complaint fails to demonstrate a cause of action upon which the requested relief may be granted, does not substantially comply with Rule 25-22.036, F.A.C., and fails to cure the deficiencies identified in the initial complaint.

Issue 2: Should the docket be closed?

Recommendation: Yes. If the Commission agrees with staff regarding Issue 1, then Petitioners' Amended Complaint should be dismissed with prejudice.

ITEM NO.

CASE

4**PAA

Docket No. 000121B-TP – Investigation into the establishment of operations support systems permanent performance measures for incumbent local exchange telecommunications companies. (CENTURYLINK FLORIDA TRACK)

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Brisé

Staff: TEL: Bates, Curry, Fogleman, Long

GCL: Corbari

Issue 1: Should the Commission approve CenturyLink’s proposed revisions to its Florida wholesale Performance Measurement Plan as detailed in CenturyLink’s proposal filed October 15, 2015?

Recommendation: Yes. Staff recommends the Commission approve CenturyLink’s proposed revisions to its Florida wholesale Performance Measurement Plan as detailed in CenturyLink’s proposal filed on October 15, 2015.

Issue 2: Should this docket be closed?

Recommendation: No. If no person whose substantial interests are affected files a protest within 21 days of the issuance date of the Order, the Order will become final upon the issuance of a Consummating Order. Any protest of the Commission’s decision in this matter should identify with specificity the item or measure being protested, and any such protest should not prevent the remainder of the Order from becoming final and effective. Thereafter, this docket should remain open for the Commission to conduct periodic reviews of CenturyLink’s PMP and to complete any third-party audits as outlined in Order No. PSC-03-0067-PAA-TP.

ITEM NO.

CASE

5

Docket No. 150257-WS – Application for staff-assisted rate case in Marion County, by East Marion Utilities, LLC.

Critical Date(s): 02/03/16 (60-Day Suspension Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Edgar

Staff: AFD: Vogel, T. Brown

ECO: Bruce

GCL: Corbari, Lherisson

(Participation is at the Discretion of the Commission.)

Issue 1: Should an interim revenue increase be approved?

Recommendation: Yes- East Marion should be authorized to collect interim revenues as indicated below:

	Adjusted Test Year Revenues	\$ Increase	Revenue Requirement	% Increase
Water	\$23,750	\$4,316	\$28,066	18.17%
Wastewater	\$35,522	\$0	\$35,522	0%

Revenues are sufficient to cover staff-adjusted O&M expenses for the wastewater system, but not the water system. As such, an interim revenue increase is warranted for the water system but not the wastewater system.

ITEM NO.

CASE

5

Docket No. 150257-WS – Application for staff-assisted rate case in Marion County, by East Marion Utilities, LLC.

(Continued from previous page)

Issue 2: What are the appropriate interim water rates?

Recommendation: The interim rate increase of 18.71 percent for water should be applied as an across-the-board increase to the service rates in effect as of December 31, 2014. The rates, as shown on Schedule No. 1 of staff’s memorandum dated January 21, 2016, should be effective for service rendered on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475(1), Florida Administrative Code (F.A.C.). The utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. In addition, the approved rates should not be implemented until the required security has been filed, 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 3: What is the appropriate security to guarantee the interim increase?

Recommendation: The utility should be required to open an escrow account or secure a surety bond or letter of credit to guarantee any potential refund of revenues collected under interim conditions. If the security provided is an escrow account, the utility should deposit \$360 into the escrow account each month. Otherwise, the surety bond or letter of credit should be in the amount of \$2,880. Pursuant to Rule 25-30.360(6), F.A.C., the utility should provide a report by the 20th of each month indicating the monthly and total revenue collected subject to refund. Should a refund be required, the refund should be with interest and in accordance with Rule 25-30.360, F.A.C.

Issue 4: Should this docket be closed?

Recommendation: No. The docket should remain open pending the Commission’s final action on the utility’s requested rate increase.

ITEM NO.

CASE

6**PAA

Docket No. 150223-EI – Petition for approval of new environmental program for cost recovery through Environmental Cost Recovery Clause, by Tampa Electric Company.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Graham

Staff: ENG: Matthews, Hill, King

ECO: Wu

GCL: Ames

Issue 1: Should the Commission approve Tampa Electric Company's petition for approval of a new environmental program for cost recovery through the Environmental Cost Recovery Clause?

Recommendation: Yes. Staff recommends that the Commission approve TECO's proposed CCR Compliance Program designed to implement the Environmental Protection Agency's CCR Rule. Staff recommends that, as requested by TECO and consistent with approved similar programs for other IOUs, the costs associated with this new environmental program be allocated to rate classes on an energy basis.

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 proposed agency action.

ITEM NO.

CASE

7**PAA

Docket No. 150208-EI – Petition for base rate reduction reflecting end of amortization period for retired plant, by Florida Power & Light Company.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Brisé

Staff: ECO: Higgins

GCL: Villafrate

Issue 1: Should the Commission approve FPL’s request to decrease its annual revenue requirement by \$222,192 to reflect the conclusion of the 5-year asset amortization, which began in March 2011, for recovery of assets retired in 2009 and 2010 because of the company’s EPU project?

Recommendation: Yes. The Commission should approve FPL’s request to decrease its annual revenue requirement by \$222,192 to reflect the conclusion of the 5-year asset amortization, which began in March 2011, for recovery of assets retired in 2009 and 2010 because of the company’s EPU project.

Issue 2: What is the effective date of FPL’s revised revenue requirement?

Recommendation: If the Commission approves the staff recommendation in Issue 1, the revised revenue requirement for FPL should be implemented beginning March 1, 2016.

Issue 3: 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

8**PAA

Docket No. 150262-EU – Joint petition for approval of joint termination of settlement agreement by Tampa Electric Company and Mosaic Fertilizer, LLC.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Edgar

Staff: ECO: Ollila
GCL: Barrera

Issue 1: Should the Commission approve the joint petition of Tampa Electric and Mosaic to terminate their agreement?

Recommendation: Yes, the Commission should approve the joint petition of Tampa Electric and Mosaic to terminate their agreement.

Issue 2: Should this docket be closed?

Recommendation: If no protest is filed by a person whose substantial interests are affected 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. 160001-EI – Fuel and purchased power cost recovery clause with generating performance incentive factor.

Critical Date(s): Pursuant to Order No. PSC-15-0586-FOF-EI this tariff is effective as of the in-service date of the Port Everglades Energy Center, estimated to be April 1, 2016.

Commissioners Assigned: All Commissioners

Prehearing Officer: Graham

Staff: ECO: Guffey, Draper

GCL: Brownless

(Participation is at the discretion of the Commission.)

Issue 1: Should the Commission approve FPL's tariff rate changes to implement the GBRA resulting from the commercial operation of the PEEC and the reduction of fuel factors reflecting the PEEC's fuel savings as approved in the Order No. PSC-15-0586-FOF-EI?

Recommendation: Yes, the Commission should approve FPL's tariff rate changes to implement the GBRA resulting from the commercial operation of the PEEC and approve the reduction of fuel factors to reflect PEEC's fuel savings. Pursuant to the above referenced Order, the rate changes should become effective with meter readings made on or after the commercial in-service date of PEEC, estimated to be April 1, 2016. FPL should notify customers of the approved new rates in its March 2016 bills.

Issue 2: Should this docket be closed?

Recommendation: The fuel docket is on-going and should remain open.

ITEM NO.

CASE

10**PAA

Docket No. 150218-GU – Petition for approval to discontinue charging multiple purchased gas adjustment (PGA) factors, by Peoples Gas System.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Graham

Staff: ECO: Guffey

GCL: Mapp

Issue 1: Should the Commission approve Peoples petition to discontinue charging multiple PGA factors for different classes of customers effective with bills rendered for the first billing cycle of the first month following the Commission’s approval of this petition?

Recommendation: Yes. The Commission should approve Peoples petition to discontinue charging multiple PGA factors for different classes of customers effective with bills rendered for the first billing cycle of the first month following the Commission’s approval of this petition.

Issue 2: Should this docket be closed?

Recommendation: If no protest is filed by a person whose substantial interests are affected within 21 days of the issuance of the Order, this docket should be closed upon the issuance of a Consummating Order.

ITEM NO.

CASE

11**PAA

Docket No. 150232-GU – Petition for approval of variance from area extension program (AEP) tariff to delay true-up and extend amortization period, by Florida City Gas.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Guffey, Draper

GCL: Barrera

Issue 1: Should the Commission approve FCG’s request to delay the true-up of the AEP charge applicable to the Glades Project by two years until October 31, 2017, and extend the 10-year amortization period by two years?

Recommendation: Yes. The Commission should approve FCG’s request to delay the true-up of the AEP charge applicable to the Glades Project by two years until October 31, 2017, and extend the 10-year amortization period by two years.

Issue 2: Should this docket be closed?

Recommendation: If no protest is filed by a person whose substantial interests are affected within 21 days of the issuance of the Order, this docket should be closed upon the issuance of a Consummating Order.

ITEM NO.

CASE

12**

Docket No. 150260-WS – Request for approval of late payment charges and return check (NSF) charge and request for approval of amendment to tariff sheets for miscellaneous service charges in Lake County by Brendenwood Waterworks, Inc., Harbor Waterworks, Inc., Lake Idlewild Waterworks, Inc., and Raintree Waterworks, Inc., and in Highlands County by Country Walk Utilities, Inc.

Critical Date(s): 2/08/16 (60-Day Suspension Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Thompson, Hudson

GCL: Villafrate

Issue 1: Should the request to implement a \$5 late payment charge for Brendenwood Waterworks, Inc., Country Walk Utilities, Inc., Harbor Waterworks, Inc., Lake Idlewild Waterworks, Inc., and Raintree Waterworks, Inc. be approved?

Recommendation: Yes. The request to implement a \$5 late payment charge for these systems should be approved. The utilities should be required to file a proposed customer notice for each respective system to reflect the Commission-approved charge. The approved charge 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 notices. The utilities should provide proof of the date each notice was given no less than 10 days after the date of the notice.

Issue 2: Should the request to implement a Non-Sufficient Funds (NSF) charge for Brendenwood, Country Walk, Lake Idlewild, and Raintree be approved?

Recommendation: Yes. The request to implement a NSF charge for Brendenwood, Country Walk, Lake Idlewild, and Raintree should be approved. Staff recommends that the utilities revise each respective systems tariff sheet to reflect the NSF charges currently set forth in Section 68.065, F.S. The NSF charges should be effective on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475(1), F.A.C. Furthermore, the charges should not be implemented until staff has approved the proposed customer notices. The utilities should provide proof of the date each notice was given within 10 days of the date of the notice.

ITEM NO.

CASE

12**

Docket No. 150260-WS – Request for approval of late payment charges and return check (NSF) charge and request for approval of amendment to tariff sheets for miscellaneous service charges in Lake County by Brendenwood Waterworks, Inc., Harbor Waterworks, Inc., Lake Idlewild Waterworks, Inc., and Raintree Waterworks, Inc., and in Highlands County by Country Walk Utilities, Inc.

(Continued from previous page)

Issue 3: Should this docket be closed?

Recommendation: No. The docket should remain open pending staff's verification that the revised tariff sheets and customer notices have been filed by the utilities and approved by staff. If a protest is filed within 21 days of the issuance date of the Order, the tariffs should remain in effect with the charges held subject to refund pending resolution of the protest. If no timely protest is filed, a consummating order should be issued and, once staff verifies that the notices of the charges have been given to customers, the docket should be administratively closed.