

FLORIDA PUBLIC SERVICE COMMISSION

COMMISSION CONFERENCE AGENDA

CONFERENCE DATE AND TIME: Thursday, May 5, 2016, 9:30 a.m.

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

DATE ISSUED: April 22, 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*.

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ITEM NO.

CASE

1**

Docket No. 150259-GU – Initiation of show cause proceedings against Peoples Gas System for apparent violations of Sections 368.01 - 05, F.S., and Chapter 25-12, F.A.C.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Edgar

Staff: GCL: Corbari, Lherisson

AFD: Mouring

APA: Lehmann, Vinson

ECO: Draper

ENG: Ballinger, Moses

Issue 1: Should the Commission approve the proposed Settlement Agreement (Attachment A to staff's memorandum dated April 22, 2016) to resolve Peoples Gas System's apparent violations of Sections 368.01-.05, F.S., and Chapter 25-12, F.A.C., and all claims set forth in the petition filed by OPC in this docket?

Recommendation: Yes. The Settlement Agreement provides a reasonable resolution of the outstanding issues in the docket. Staff recommends that the Settlement Agreement is in the public interest and promotes administrative efficiency. Therefore, the Commission should approve the Settlement Agreement to resolve Peoples Gas Systems' apparent violations of Sections 368.01-.05, F.S., and Chapter 25-12, F.A.C., that occurred between June 1, 2013 and December 31, 2015, including any alleged violations of reasonably related rules or standards outlined in Appendix A of the Settlement Agreement that may have occurred up to the date the Settlement Agreement takes effect, and all claims set forth in the petition filed by OPC in this docket.

Issue 2: Should the docket be closed?

Recommendation: No. If the Commission approves staff's recommendation in Issue 1, then the docket may be closed administratively upon receipt of Peoples Gas System's petition for approval of its 2017 Rider CI/BSR monthly surcharges, demonstrating its implementation of the \$2,000,000 one-time credit and receipt of the \$1,000,000 penalty payment. Should Peoples Gas System fail to comply with any of the terms of the proposed Settlement Agreement, staff requests that the Commission authorize the Office of the General Counsel to pursue all reasonable means necessary to enforce the terms of the Settlement Agreement, including any Commission Order approving same, pursuant to Sections 120.69 and 368.061, F.S., including, but not limited to, initiating an action in circuit court.

ITEM NO.

CASE

2**PAA

Docket No. 140029-TP – Request for submission of proposals for relay service, beginning in June 2015, for the deaf, hard of hearing, deaf/blind, or speech impaired, and other implementation matters in compliance with the Florida Telecommunications Access System Act of 1991.

Critical Date(s): July 1, 2016 - Effective date of Florida Telecommunications Relay, Inc. budget. Notification of any change in the Telecommunications Access System Act surcharge must be made to carriers prior to July 1, 2016.

Commissioners Assigned: All Commissioners
Prehearing Officer: Administrative

Staff: TEL: Williams, Bates
GCL: Page

(Proposed Agency Action for Issue 1.)

Issue 1: Should the Commission approve FTRI's proposed budget, excluding the National Deaf-Blind Equipment Distribution Program, for fiscal year 2016/2017, effective July 1, 2016, and should the Commission maintain the current Telecommunications Relay Service (TRS) surcharge of \$0.12 per month?

Recommendation: Yes. Staff recommends that the Commission approve FTRI's proposed budget operating revenue of \$7,796,894 and proposed budget expenses of \$7,505,109, excluding the National Deaf-Blind Equipment Distribution Program, for fiscal year 2016/2017, effective July 1, 2016. Staff recommends that FTRI should be allowed to increase its outreach expenses to pilot a targeted newspaper insert program with data to be filed with its annual budget request indicating the program's effectiveness.

Issue 2: Should the Commission approve the appointments of Mr. Tom D'Angelo and Mr. Tim Wata to the TASA Advisory Committee effective immediately?

Recommendation: Yes. Staff recommends that the Commission approve the appointments of Mr. Tom D'Angelo and Mr. Tim Wata to the TASA Advisory Committee effective immediately.

Issue 3: Should this docket be closed?

Recommendation: No. A Consummating Order should be issued for Issue 1, 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. The docket should remain open to address all matters related to relay service throughout the life of the current Sprint contract.

ITEM NO.

CASE

3**

Docket No. 160021-EI – Petition for rate increase by Florida Power & Light Company.

Critical Date(s): 05/14/16 (60-Day Suspension Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Edgar

Staff: AFD: Fletcher

GCL: Brownless

Issue 1: Should Florida Power & Light Company's request for a \$866 million permanent rate increase for January 1, 2017, a \$262 million permanent rate increase for January 1, 2018, a \$209 million base rate step increase, and the associated tariff revisions be suspended pending a final decision in this docket?

Recommendation: Yes. The \$866 million permanent rate increase for January 1, 2017, the \$262 million permanent rate increase for January 1, 2018, the \$209 million base rate step increase, and the associated tariff revisions should be suspended pending a final decision in this docket.

Issue 2: Should this docket be closed?

Recommendation: No, this docket should remain open to process the Company's revenue increase request.

ITEM NO.

CASE

4**PAA

Docket No. 150012-WU – Application for transfer of Certificate 390-W from County-Wide Utility Co., Inc. to Southwest Ocala Utility, Inc. in Marion County.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Brisé

Staff: ENG: Watts

AFD: Frank, Norris

ECO: C. Johnson

GCL: Villafrate

(Proposed Agency Action for Issues 2 and 3.)

Issue 1: Should the Commission approve the transfer of County-Wide Utility Co., Inc.'s water system and Certificate No. 390-W to Southwest Ocala Utility, Inc.?

Recommendation: Yes. The transfer of County-Wide's water system and the transfer of Certificate No. 390-W to SOU is in the public interest and should be approved effective the date of the Commission's vote. The resultant order should serve as SOU's certificate and should be retained by the Utility. The existing rates and charges should remain in effect until a change is authorized by the Commission in a subsequent proceeding. The tariffs reflecting the transfer should be effective for services rendered or connections made on or after the stamped approval date on the tariffs, pursuant to Rule 25-30.475, Florida Administrative Code (F.A.C.) SOU should be responsible for filing the Utility's annual reports and paying RAFs for 2015 and all future years.

Issue 2: What is the appropriate net book value for the SOU water system for transfer purposes?

Recommendation: The net book value of the water system for transfer purposes is \$760,002, as of January 1, 2014. Within 90 days of the date of the final order, SOU should be required to notify the Commission in writing, that it has adjusted its books in accordance with the Commission's decision. The adjustments should be reflected in SOU's 2015 Annual Report when filed.

Issue 3: Should an acquisition adjustment be recognized for rate-making purposes?

Recommendation: Yes. Pursuant to Rule 25-30.0371, F.A.C., a negative acquisition adjustment of \$607,775 should be recognized for rate-making purposes. Beginning with the date of the issuance of the order approving the transfer, 50 percent of the negative acquisition, which is \$303,888, should be amortized over a 7-year period and the remaining 50 percent should be amortized over the remaining 33-year life of the assets.

ITEM NO.

CASE

4**PAA

Docket No. 150012-WU – Application for transfer of Certificate 390-W from County-Wide Utility Co., Inc. to Southwest Ocala Utility, Inc. in Marion County.

(Continued from previous page)

Issue 4: Should this docket be closed?

Recommendation: Yes. If no protest to the proposed agency action is filed by a substantially affected person within 21 days of the date of the order, a consummating order should be issued and the docket should be closed administratively after SOU has provided proof that its general ledgers have been updated to reflect the Commission-approved balances as of January 1, 2014.

ITEM NO.

CASE

5**PAA

Docket No. 160056-EU – Joint petition to reopen and extend the term of existing territorial agreement in Columbia, Lafayette, Madison, and Suwannee Counties, by Suwannee Valley Electric Cooperative and Duke Energy Florida, LLC.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Patronis

Staff: ECO: Guffey

GCL: Leathers

Issue 1: Should the Commission approve the proposed stipulation between Suwannee and DEF to reopen and extend the existing territorial agreement until September 14, 2016?

Recommendation: Yes, the Commission should approve the proposed stipulation between Suwannee and DEF to reopen and extend the existing territorial agreement until September 14, 2016.

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

6**

Docket No. 160059-EI – Petition to extend economic development rider on a permanent basis, by Tampa Electric Company.

Critical Date(s): 05/13/16 (60-Day Suspension Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Ollila

GCL: Leathers

Issue 1: Should the Commission approve Tampa Electric’s petition to extend its economic development rider and associated tariffs on a permanent basis?

Recommendation: Yes, the Commission should approve Tampa Electric’s petition to extend its economic development rider and associated tariffs on a permanent basis effective May 5, 2016.

Issue 2: Should this docket be closed?

Recommendation: 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

7**

Docket No. 160071-EI – Petition for approval of 2016 revisions to underground residential and commercial differential tariffs, by Florida Power & Light Company.

Critical Date(s): 05/30/16 (60-Day Suspension Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Ollila

GCL: Janjic

Issue 1: Should FPL’s proposed underground differential tariffs be suspended?

Recommendation: Yes. Staff recommends that the tariffs be suspended to allow staff sufficient time to review the petition and gather all pertinent information in order to present the Commission with an informed recommendation on the tariff proposals.

Issue 2: Should this docket be closed?

Recommendation: This docket should remain open pending the Commission’s decision on the proposed tariffs.

ITEM NO.

CASE

8**PAA

Docket No. 160050-GU – Joint petition for approval of amendment to territorial agreement in Pasco County, by Peoples Gas System and the City of Clearwater, d/b/a Clearwater Gas System.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Patronis

Staff: ECO: Ollila

GCL: Villafrate

Issue 1: Should the Commission approve the proposed third amendment to the territorial agreement between Peoples and Clearwater?

Recommendation: Yes, the Commission should approve the proposed third amendment to the territorial agreement between Peoples and Clearwater.

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. 130178-SU – Application for staff-assisted rate case in Polk County by Crooked Lake Park Sewerage Company.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Patronis

Staff: ECO: Bruce, S. Hudson

ENG: Lee

GCL: Tan

Issue 1: Should the Commission approve Crooked Lake's request for extension of time to complete the Phase II pro forma plant items?

Recommendation: Yes. The Commission should approve Crooked Lake's request for an extension of time to complete the Phase II pro forma items. The pro forma plant items should be completed by July 31, 2016. In the event the utility does not meet its July 31, 2016 deadline and requests additional time, staff should be given administrative authority to grant the utility an additional six months to complete the pro forma plant items. Upon completion of the pro forma plant items, the utility should submit a copy of the final invoices and cancelled checks for the Phase II pro forma plant and documentation that the general liability insurance was renewed.

Issue 2: Should this docket be closed?

Recommendation: No. The docket should remain open to allow staff time to verify that the Phase II pro forma plant items have been completed and the Phase II rates are properly implemented. Once these actions are complete and verified by staff this docket should be closed administratively.

ITEM NO.

CASE

10**

Docket No. 160023-WU – Application for transfer of majority organizational control of Sunny Shores Water Company, Inc., holder of Certificate No. 578-W in Manatee County, from Jack E. Mason to Jack E. Mason, II and Debbie A. Mason.

Critical Date(s): 05/23/16 (60-Day Suspension Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: C. Johnson

GCL: Leathers

Issue 1: Should the Commission suspend Sunny Shores' request to establish a late payment charge?

Recommendation: Yes. Sunny Shores' request to establish a late payment charge should be suspended to allow staff sufficient time to review the utility's cost justification.

Issue 2: Should this docket be closed?

Recommendation: No. The docket should remain open pending the Commission's final action on this docket.