

FLORIDA PUBLIC SERVICE COMMISSION

COMMISSION CONFERENCE AGENDA

CONFERENCE DATE AND TIME: Tuesday, March 7, 2017, 9:30 a.m.

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

DATE ISSUED: February 23, 2017

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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ITEM NO.

CASE

1**

Docket No. 170022-EI – Proposed amendment of Rule 25-6.0183, F.A.C., Electric Utility Procedures for Generating Capacity Shortage Emergencies.

Rule Status: Proposed

Commissioners Assigned: All Commissioners

Prehearing Officer: Brisé

Staff: GCL: Page
ECO: Rome
ENG: Moses

(Proposal May Be Deferred.)

Issue 1: Should the Commission propose the amendment of Rule 25-6.0183, F.A.C.?

Recommendation: Yes. The Commission should propose the amendment of Rule 25-6.0183, F.A.C. as set forth in Attachment A of staff's memorandum dated February 23, 2017.

Issue 2: Should this docket be closed?

Recommendation: Yes. If no requests for hearing or comments are filed, the rule may be filed with the Department of State, and this docket should be closed.

ITEM NO.

CASE

2**

Docket No. 160246-WS – Proposed adoption of Rule 25-30.444, F.A.C., Utility Reserve Fund, and 25-30.4445, F.A.C., Notice of Application for Utility Reserve Fund.

Rule Status: Proposed

Commissioners Assigned: All Commissioners

Prehearing Officer: Polmann

Staff: GCL: Harper

AFD: Golden

ECO: Rome

(Proposal May Not Be Deferred. Rules Must Be Proposed By April 1, 2017.)

Issue 1: Should the Commission propose Rules 25-30.444 and 25-30.4445, F.A.C.?

Recommendation: Yes. The Commission should propose the adoption of Rules 25-30.444 and 25-30.4445, F.A.C., as set forth in Attachment A of staff's memorandum dated February 23, 2017.

Issue 2: Should this docket be closed?

Recommendation: Yes. If no requests for hearing or comments are filed, the rules may be filed with the Department of State, and this docket should be closed.

ITEM NO.

CASE

3**

Docket No. 170030-EI – Petition for limited proceeding for approval to include in base rates the revenue requirement for the Hines chillers uprate project, by Duke Energy Florida, LLC.

Critical Date(s): 04/03/17 (60-Day Suspension Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Graham

Staff: ENG: Lee

AFD: Passett, D. Smith

ECO: Guffey

GCL: Janjic

Issue 1: Should the Commission approve DEF’s petition to include in base rates the revenue requirement associated with the Hines Project?

Recommendation: Yes. Staff recommends that the \$19,335,560 revenue requirement, based on the most recently available Earnings Surveillance Report (ESR), is the appropriate amount.

Issue 2: Should the Commission approve DEF’s proposed tariffs and associated charges?

Recommendation: Yes. The Commission should give staff administrative authority to approve tariffs and associated charges that implement the Commission vote in Issue 1 regarding the Hines Project. The charges should go in to effect with the first billing cycle in April 2017. If the commercial in-service date of the project is delayed, then the tariffs should become effective after the Hines Project is completed and is in commercial service. DEF should notify staff before the delayed implementation.

Issue 3: Should this docket be closed?

Recommendation: If Issues 1 and 2 are approved, the tariff should go into effect with the first billing cycle in April 2017, or later if the commercial in-service date is delayed. If a protest is filed within 21 days of the issuance of the order, the 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.

ITEM NO.

CASE

4**PAA

Docket No. 130105-WS – Application for certificates to provide water and wastewater service in Hendry and Collier Counties, by Consolidated Services of Hendry & Collier, LLC.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Graham

Staff: ENG: Watts, Knoblauch
AFD: Galloway, Sowards
ECO: Hudson, Johnson
GCL: Janjic

Issue 1: What are the appropriate water and wastewater rates and return on investment for Consolidated Services?

Recommendation: Consolidated Services' water and wastewater rates shown on Schedule Nos. 1 and 2, respectively, of staff's memorandum dated February 23, 2017, are reasonable and should be approved. The approved rates should be effective for services rendered on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475, F.A.C. Consolidated Services should be required to charge the approved rates until authorized to change them by the Commission in a subsequent proceeding. A return on equity of 11.16 percent, with a range of plus or minus 100 basis points, should also be approved.

Issue 2: What are the appropriate service availability charges?

Recommendation: Consolidated Services' proposed service availability charges, as shown on Schedule Nos. 1 and 2 of staff's memorandum dated February 23, 2017, are reasonable and should be approved. The approved charges 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. Consolidated Services should be required to collect its approved service availability charges until authorized to change them by the Commission in a subsequent proceeding.

Issue 3: Should Consolidated Services' proposed miscellaneous service charges be approved?

Recommendation: Consolidated Services' proposed miscellaneous service charges should be approved and effective for services rendered on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475, F.A.C. Consolidated Services should be required to charge its approved miscellaneous service charges until authorized to change them by the Commission in a subsequent proceeding.

ITEM NO.

CASE

4**PAA

Docket No. 130105-WS – Application for certificates to provide water and wastewater service in Hendry and Collier Counties, by Consolidated Services of Hendry & Collier, LLC.

(Continued from previous page)

Issue 4: Should Consolidated Services' request to implement a late payment charge be approved?

Recommendation: Consolidated Services' request to implement a late payment charge should be approved. Consolidated Services should be allowed to implement a late payment charge of \$5.00. The approved charge 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. Consolidated Services should be required to charge its approved late payment charge until authorized to change it by the Commission in a subsequent proceeding.

Issue 5: Should Consolidated Services be authorized to collect Non-Sufficient Funds Charges (NSF)?

Recommendation: Consolidated Services should be authorized to collect NSF charges. Staff recommends the NSF charges currently set forth in Section 68.065, F.S., for Consolidated Services. 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. Consolidated Services should be required to charge its approved NSF charge until authorized to change it by the Commission in a subsequent proceeding.

Issue 6: What are the appropriate initial customer deposits for Consolidated Services' water and wastewater services?

Recommendation: Based on staff's recommended rates and estimated average residential demand, the appropriate initial customer deposits for the residential 5/8" x 3/4" meter size should be \$63 for water and \$54 for wastewater. 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 and wastewater service. The approved initial customer deposits should be effective for connections made on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475, F.A.C. Consolidated Services should be required to collect its approved customer deposits until authorized to change it by the Commission in a subsequent proceeding.

Issue 7: Should this docket be closed?

Recommendation: If no timely protest to the proposed agency action regarding initial rates and charges is filed with the Commission by a substantially affected person, a Consummating Order should be issued. This docket should be closed administratively upon issuance of a Consummating Order.

ITEM NO.

CASE

5**

Docket No. 160245-EI – Petition for approval of a new optional pilot LED streetlight tariff, by Florida Power & Light Company.

Critical Date(s): 8-month effective date: 8/16/17

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Guffey

GCL: Taylor

Issue 1: Should the Commission approve FPL's proposed optional LT-1 tariff and the accompanying LED Agreement?

Recommendation: Yes. The Commission should approve FPL's proposed LT-1 tariff and the accompanying LED Agreement effective March 7, 2017. By end of December 2019, FPL should file a petition with the Commission to make permanent, modify, or terminate the optional LT-1 tariff and accompanying LED Agreement.

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

6**PAA

Docket No. 160145-WU – Application for limited revenue proceeding in St. Johns County, by Camachee Island Company, Inc. d/b/a Camachee Cove Yacht Harbor Utility.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Graham

Staff: ECO: Johnson, Hudson

AFD: Golden, Wilson

GCL: Lherisson

(Proposed Agency Action - Except Issue Nos. 2 and 3.)

Issue 1: Should the Commission approve the utility's request for a limited proceeding?

Recommendation: The Commission should approve the utility's request for a limited proceeding rate increase. Camachee should be allowed an annual increase of \$38,196 (43.31 percent), resulting in an adjusted revenue requirement of \$126,395. The adjusted revenue requirement is reflected on Schedule No. 1-A of staff's memorandum dated February 23, 2017. The appropriate monthly water rates are shown on Schedule No. 2 of staff's memorandum dated February 23, 2017. 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 the notice.

Issue 2: 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 as required by Section 367.0816, F.S.?

Recommendation: The water rates should be reduced as shown on Schedule No. 2 of staff's memorandum dated February 23, 2017, to remove rate case expense grossed up for RAFs and amortized over a four-year period. The decrease in rates should become effective immediately following the expiration of the four-year rate case expense recovery period, pursuant to Section 367.0816, F.S. The utility 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 Camachee files 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

6**PAA

Docket No. 160145-WU – Application for limited revenue proceeding in St. Johns County, by Camachee Island Company, Inc. d/b/a Camachee Cove Yacht Harbor Utility.

(Continued from previous page)

Issue 3: Should the recommended rates be approved for Camachee on a temporary basis, subject to refund, in the event of a protest filed by a substantially affected person or party?

Recommendation: Yes. The recommended rates should be approved for the utility on a temporary basis, subject to refund, in the event of a protest filed by a substantially affected person or party. 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 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 analysis portion of staff’s memorandum dated February 23, 2017. 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 Clerk’s office no later than the 20th of every 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 4: Should this docket be closed?

Recommendation: No. If no person whose substantial interests are affected by the proposed agency action files a protest within twenty-one days of the issuance of the order, a consummating order will 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. When the tariff and notice actions are complete, this docket may be closed administratively.

ITEM NO.

CASE

7

Docket No. 150071-SU – Application for increase in wastewater rates in Monroe County by K W Resort Utilities Corp.

Critical Date(s): None

Commissioners Assigned: Brown, Graham, Patronis

Prehearing Officer: Patronis

Staff: GCL: Taylor, Mapp, Crawford

ECO: Daniel, Friedrich, Hudson, Johnson

(Staff request for reconsideration prior to issuance of post-hearing order - Participation limited to Commission and Staff only.)

Issue 1: Should the Commission reconsider, on its own motion, its vote on Issue 34 regarding calculation of miscellaneous service charges?

Recommendation: Yes, the Commission, on its own motion, should reconsider a limited portion of its vote on Issue 34 with respect to the calculation of mileage that factors into the Initial Connection Charge Calculation and the Premises Visit Charge Calculation. If the Commission approves staff's recommendation, staff will incorporate this correction into the final order. Staff should be granted the administrative authority to make fall-out calculations.

Issue 2: Should this docket be closed?

Recommendation: No, pursuant to the Commission's February 7 vote, this docket should remain open for staff's verification that the Utility has completed the recommended refunds, the revised tariff sheets and customer notice have been filed by the Utility and approved by staff, and KWRU has notified the Commission in writing that the adjustments for all applicable NARUC USOA primary accounts have been made. Once these actions are complete, this docket should be closed administratively