

FLORIDA PUBLIC SERVICE COMMISSION

COMMISSION CONFERENCE AGENDA

CONFERENCE DATE AND TIME: Monday, June 5, 2017, 1:30 p.m.

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

DATE ISSUED: May 25, 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).

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ITEM NO.

CASE

1**

Consent Agenda

PAA

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

<u>DOCKET NO.</u>	<u>COMPANY NAME</u>
170021-TX	Real Fast Networks LLC
170092-TX	Webpass Florida LLC
170108-TX	Strome Networks, LLC

Recommendation: The Commission should approve the actions requested in the dockets referenced above and close these dockets.

ITEM NO.

CASE

2**

Docket No. 170034-EU – Proposed amendment of Rule 25-6.0345, F.A.C., Safety Standards for Construction of New Transmission and Distribution Facilities.

Rule Status: Proposal May Be Deferred

Commissioners Assigned: All Commissioners

Prehearing Officer: Graham

Staff: GCL: Page
ECO: Rome
ENG: Moses

Issue 1: Should the Commission propose the amendment of Rule 25-6.0345, F.A.C.?

Recommendation: Yes. The Commission should propose the amendment of Rule 25-6.0345, F.A.C., as set forth in Attachment A of staff's memorandum dated May 24, 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

3

Docket No. 160101-WS – Application for increase in water and wastewater rates in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties by Utilities, Inc. of Florida.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Brisé

Staff: GCL: Trierweiler, Janjic, Mapp, Taylor

AFD: Maurey

ENG: Ballinger, P. Buys

(Motion for Reconsideration - Oral Argument Requested; Participation is at the Commission's Discretion)

Issue 1: Should the Office of Public Counsel's Request for Oral Argument on its Motion for Reconsideration of Order No. PSC-17-0147-PCO-WS before the Full Commission be granted?

Recommendation: The pleadings are clear on their face; however, it is within the Commission's discretion to grant oral argument if the Commission finds that it would assist the Commission in its disposition of the motion. If oral argument is granted, staff recommends 5 minutes per side.

Issue 2: Should the Office of Public Counsel's Motion for Reconsideration of Order No. PSC-17-0147-PCO-WS before the Full Commission be granted?

Recommendation: No, the Office of Public Counsel's Motion for Reconsideration of Order No. PSC-17-0147-PCO-WS before the Full Commission should be denied because it does not meet the standard for reconsideration.

Issue 3: Should this docket be closed?

Recommendation: No, this docket should remain open pending final resolution of UIF's rate case.

ITEM NO.

CASE

4**

Docket No. 170001-EI – Fuel and purchased power cost recovery clause with generating performance incentive factor.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Brisé

Staff: AFD: Barrett, Vogel
ECO: Draper, Guffey
GCL: Brownless

Issue 1: Should the Commission approve DEF's Petition for a mid-course correction to its 2017 fuel cost recovery factors and the associated tariff sheets?

Recommendation: Yes. Staff recommends that the Commission approve DEF's Petition for mid-course correction to its 2017 fuel cost recovery factors and the associated tariff sheets. The revised fuel cost recovery factors and associated tariff sheets should become effective with the July 2017 billing cycle and continue until the generation base rate adjustment (GBRA) for the Citrus Unit 1 Combined Cycle facility (Citrus 1) is placed into rates.

Issue 2: Should the Commission approve DEF's proposed fuel cost recovery factors?

Recommendation: Yes. The Commission should give staff administrative authority to approve tariffs and associated fuel factors that implement the Commission vote in Issue 1. The charges should go into effect with the first billing cycle of July 2017.

Issue 3: Should this docket be closed?

Recommendation: No. The fuel docket is on-going and should remain open.

ITEM NO.

CASE

5**PAA

Docket No. 170006-WS – Water and wastewater industry annual reestablishment of authorized range of return on common equity for water and wastewater utilities pursuant to Section 367.081(4)(f), F.S.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Brown

Staff: AFD: Archer, D. Buys, Cicchetti

GCL: DuVal

Issue 1: What is the appropriate range of returns on common equity for water and wastewater utilities, pursuant to Section 367.081(4)(f), Florida Statutes?

Recommendation: Staff recommends that the current leverage formula approved by the Commission in Order No. PSC-16-0254-PAA-WS continue to be used until the leverage formula is readdressed in 2018 and a workshop can be scheduled for the fall of 2017 to review and update, if necessary, the methodology used to determine the leverage formula.

Accordingly, staff recommends the following leverage formula:

Return on Common Equity = 7.13% + (1.610 ÷ Equity Ratio)

Where the Equity Ratio = Common Equity ÷ (Common Equity + Preferred Equity + Long-Term and Short-Term Debt)

Range: 8.74% @ 100% equity to 11.16% @ 40% equity

Additionally, staff recommends that the Commission cap returns on common equity at 11.16 percent for all WAW utilities with equity ratios less than 40 percent. Staff believes this will discourage imprudent financial risk. This cap is consistent with the methodology in Order No. PSC-08-0846-FOF-WS.

Issue 2: Should this docket be closed?

Recommendation: No. Upon expiration of the protest period, if a timely protest is not received from a substantially affected person, the decision should become final and effective upon the issuance of a Consummating Order. However, this docket should remain open to allow staff to monitor changes in capital market conditions and to readdress the reasonableness of the leverage formula as conditions warrant. This docket should be closed upon issuance of an order establishing a new docket number in 2018.

ITEM NO.

CASE

6**

Docket No. 160238-WS – Application of B & C Water Resources, L.L.C. and D & E Water Resources, L.L.C. for transfer of majority organizational control.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Patronis

Staff: ENG: Knoblauch, Watts

AFD: Galloway

ECO: Bruce

GCL: Mapp

Issue 1: Should the application for transfer of majority organizational control of B&C in Baker and Union Counties and D&E in Flagler and Volusia Counties from Plum Creek to Weyerhaeuser be approved?

Recommendation: Yes. The transfer of majority organizational control from Plum Creek to Weyerhaeuser is in the public interest and should be approved effective the date of the Commission vote. The resultant order should serve as the water and wastewater certificates, with the territories described in Attachment A for B&C and Attachment B for D&E, of staff's memorandum dated March 23, 2017. The Utilities' existing rates and charges should remain in effect until a change is authorized by the Commission in a subsequent proceeding. For the Utilities, the tariff pages reflecting the transfer should be effective on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475(1), Florida Administrative Code, (F.A.C.).

Issue 2: Should this docket be closed?

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

ITEM NO.

CASE

7**

Docket No. 170016-WS – Application for transfer of water and wastewater facilities to Babcock Ranch Community Independent Special District in Charlotte and Lee County, and cancellation of Certificate Nos. 613-W and 543-S, by MSKP Town and Country Utility, LLC.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Brisé

Staff: ENG: Hill

GCL: Brownless

Issue 1: Should the Commission acknowledge the transfer of MSKP Town & Country Utility, LLC to the Babcock Ranch Community Independent Special District as a matter of right and cancel Certificate Nos. 613-W and 543-S effective December 15, 2016?

Recommendation: Yes. MSKP Town and County Utility, LLC and the Babcock Ranch Community Independent Special District have fully complied with the requirements of Section 367.071(4)(a), F.S., and Rule 25-30.038, Florida Administrative Code (F.A.C.), and therefore have met all of the requirements for transfer as a matter of right.

Issue 2: Should this docket be closed?

Recommendation: Yes. If the Commission approves staff's recommendation in Issue 1, no further action is required by the Commission, and the docket should be closed upon the issuance of the final order.

ITEM NO.

CASE

8**

Docket No. 170088-EI – Petition for approval of tariff modifications, by Tampa Electric Company.

Critical Date(s): 06/17/17 (60-Day Suspension Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Rome, Draper

GCL: Brownless

Issue 1: Should the Commission approve TECO’s proposed tariff modifications?

Recommendation: Yes, the Commission should approve TECO’s requested modifications to Tariff Sheet Nos. 5.135 and 6.030, as reflected in Attachment A of staff’s memorandum dated May 24, 2017, effective June 5, 2017.

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 tariffs 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

9**

Docket No. 170090-GU – Petition for approval of tariff modifications to natural gas tariff, in compliance with recent amendment to Florida statutes and Commission rules, by Peoples Gas System.

Critical Date(s): 06/19/17 (60-day Suspension Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Rome, Draper

GCL: Brownless

Issue 1: Should the Commission approve Peoples' proposed tariff modifications?

Recommendation: Yes, the Commission should approve Peoples' requested modifications to Tariff Sheet Nos. 5.301, 5.301-1, and 5.301-2, as reflected in Attachment A of staff's memorandum dated May 24, 2017, effective June 5, 2017.

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 tariffs 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

10**

Docket No. 170093-EI – Petition for approval of revisions to tariff sheet Nos. 4.070 and 4.080, deposit requirements and customer billing, by Duke Energy Florida, LLC.

Critical Date(s): 06/27/17 (60-Day Suspension Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Rome, Draper

GCL: Brownless

Issue 1: Should the Commission approve Duke's proposed tariff modifications?

Recommendation: Yes, the Commission should approve Duke's requested modifications to Tariff Sheet Nos. 4.070 and 4.080, as reflected in Attachment A of staff's memorandum dated May 24, 2017, effective June 5, 2017.

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 tariffs 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

11**

Docket No. 170096-EI – Petition for approval of revised customer security deposit tariff sheets, by Florida Power & Light Company.

Critical Date(s): 06/27/17 (60-Day Suspension Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Rome, Draper

GCL: Brownless

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

Recommendation: Yes, the Commission should approve FPL's requested modifications to Tariff Sheet Nos. 4.020, 6.040, 6.050, 9.400, and 9.410, as reflected in Attachment A of staff's memorandum dated May 24, 2017, effective June 5, 2017.

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 tariffs 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

12**

Docket No. 170109-EI – Petition for approval of revisions to deposit provisions of tariff sheet Nos. 4.12 and 6.23, by Gulf Power Company.

Critical Date(s): 07/04/17 (60-Day Suspension Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Rome, Draper

GCL: Brownless

Issue 1: Should the Commission approve Gulf's proposed tariff modifications?

Recommendation: Yes, the Commission should approve Gulf's requested modifications to Tariff Sheet Nos. 4.12 and 6.23, as reflected in Attachment A of staff's memorandum dated May 24, 2017, effective June 5, 2017.

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 tariffs 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

13**PAA

Docket No. 170068-EU – Joint petition for approval of amendment to territorial agreement, by Tampa Electric Company and Withlacoochee River Electric Cooperative, Inc.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Polmann

Staff: ECO: Guffey

GCL: Taylor

Issue 1: Should the Commission approve the joint petition by TECO and WREC to amend their territorial agreement related to the Mirada Subdivision, f/k/a Cannon Ranch Subdivision, in Pasco County?

Recommendation: Yes. The Commission should approve the joint petition by TECO and WREC to amend their territorial agreement related to the Mirada Subdivision, f/k/a Cannon Ranch Subdivision, in Pasco County.

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

14**

Docket No. 170085-GU – Request for approval of tariff modifications applicable to address installation of excess flow valves, by Florida City Gas.

Critical Date(s): 06/12/17 (60-Day Suspension Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Guffey

GCL: DuVal

Issue 1: Should the Commission approve FCG's proposed modification to Tariff Sheet Nos. 1A and 22B relating to the Company's Excess Flow Valves tariff?

Recommendation: Yes, the Commission should approve FCG's proposed modification to Tariff Sheet Nos. 1A and 22B relating to the Company's Excess Flow Valves tariff, as reflected in Attachment A of staff's memorandum dated May 24, 2017, effective June 5, 2017.

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 tariffs 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

15**

Docket No. 170067-GU – Petition for approval to modify phase two of experimental transitional transportation pilot program to suspend open enrollment process, by Florida Division of Chesapeake Utilities Corporation.

Critical Date(s): 8-Month Effective Date: 11/28/17 (60-day suspension date waived by the utility)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Ollila

GCL: DuVal

Issue 1: Should the Commission approve Chesapeake’s petition to suspend the Phase Two Open Enrollment process and associated annual report?

Recommendation: Yes, the Commission should approve Chesapeake’s petition to suspend the Phase Two Open Enrollment process and associated annual report, effective June 5, 2017.

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

16

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: Mapp

AFD: Norris

ECO: Johnson

ENG: Graves, Hill

(Post-Hearing Motion for Reconsideration - Oral Argument Not Requested - Participation is at the Commission's Discretion)

Issue 1: Should KWRU's Motion for Reconsideration be granted?

Recommendation: No. KWRU fails to identify a point of fact or law the Commission overlooked in rendering its decision. Accordingly, KWRU's Motion for Reconsideration should be denied.

Issue 2: Should Harbor Shores' Motion for Reconsideration be granted?

Recommendation: No. The Commission considered and evaluated all the record evidence in reaching its conclusion that Harbor Shores should be classified as a general service customer, but continue to be billed a base facility charge (BFC) based on 69 equivalent residential connections (ERCs) and a gallonage charge with a 10,000 gallon cap per ERC. Because the Commission did not overlook or fail to consider the evidence in the record, Harbor Shores' Motion for Reconsideration should be denied.

Issue 3: Should this docket be closed?

Recommendation: If the Commission approves staff's recommendation on Issues 1 and 2, this docket should remain open for staff's verification that the Utility has completed the required refunds and that 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.