

FLORIDA PUBLIC SERVICE COMMISSION

COMMISSION CONFERENCE AGENDA

CONFERENCE DATE AND TIME: Thursday, July 13, 2017, 9:30 a.m.

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

DATE ISSUED: June 30, 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) Application for Certificate of Authority to Provide Telecommunications Service.

DOCKET NO.

COMPANY NAME

170095-TX

United Commercial Telecom, LLC

170111-TX

SQF, LLC

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

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): September 1, 2017 - 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 September 1, 2017 under staff's recommendation.

Commissioners Assigned: All Commissioners
Prehearing Officer: Administrative

Staff: TEL: Fogleman, Long, Williams
GCL: Page

(Proposed Agency Action for Issue 1 – Issue 2 is Procedural)

Issue 1: Should the Commission approve FTRI's proposed budget as presented in Attachment A of staff's memorandum dated June 29, 2017, for Fiscal Year 2017/2018, effective September 1, 2017, and should the Commission reduce the current Telecommunications Relay Service (TRS) surcharge from \$0.11 per month to \$0.10 per month?

Recommendation: No. Staff recommends that the Commission reduce FTRI's proposed budget expenses for Fiscal Year 2017/2018 by \$81,954 for Regional Distribution Center (RDC) expenses and by \$36,000 for Legal expenses as presented in Option 1. Staff recommends that the Commission order the incumbent local exchange companies, competitive local exchange companies, and shared tenant providers to discontinue billing the \$0.11 monthly surcharge, and bill the \$0.10 surcharge for Fiscal Year 2017/2018, effective September 1, 2017. Staff also recommends that the Commission order FTRI to require detailed, itemized bills from its legal counsel and conduct in-house analyses for Insurance-Health/Life/Disability and Retirement expenses. Staff recommends that FTRI be ordered to provide the results of its analyses to staff by January 31, 2018.

Issue 2: Should the Commission approve the appointment of Ms. Elizabeth Bradin to the TASA Advisory Committee effective immediately?

Recommendation: Yes. Staff recommends that the Commission approve the appointment of Ms. Elizabeth Bradin to the TASA Advisory Committee effective immediately.

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.

(Continued from previous page)

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**PAA

Docket No. 170082-TP – Request for relinquishment of partial eligible telecommunications carrier (ETC) status, by BellSouth Telecommunications, LLC d/b/a AT&T Florida.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Polmann

Staff: TEL: Deas, Curry, Fogleman, Long, Wooten

GCL: Murphy, Cuello

Issue 1: Should the Commission approve AT&T Florida's request for partial relinquishment of its ETC designation?

Recommendation: Yes. The Commission should approve AT&T Florida's request for partial relinquishment of its ETC designation.

Issue 2: Should this docket be closed?

Recommendation: Yes. 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

4**PAA

Docket No. 170070-EQ – Petition for approval of revised standard offer for energy purchase from cogenerators and renewable generating facilities and standard offer contract for purchases of firm capacity and energy, by Florida Public Utilities Company.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ENG: Matthews, Thompson

GCL: Corbari

Issue 1: Should the Commission approve the revisions to the standard offer rate schedule and standard offer contract filed by Florida Public Utilities Company?

Recommendation: Yes. FPUC's revised standard offer rate schedule and standard offer contract conform to all the requirements of Rule 25-17.0825, and Rules 25-17.200 through 25-17.310, F.A.C., and reflect the avoidable costs associated with FPUC's power purchase agreements. Staff recommends that the revisions to the rate schedule and standard offer contract filed by FPUC be approved as filed.

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, FPUC's standard offer contract may subsequently be revised.

ITEM NO.

CASE

5**PAA

Docket No. 170072-EQ – Petition for approval of amended standard offer contract and amended interconnection agreement, by Duke Energy Florida, LLC.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ENG: Matthews, Thompson

GCL: Cuello

Issue 1: Should the Commission approve the amended standard offer contract and associated rate schedule and amended interconnection agreement filed by Duke Energy Florida?

Recommendation: Yes. The provisions of the amended standard offer contract and associated rate schedule, along with the updated interconnection agreement, 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. The updated interconnection agreement provides the Utility an opportunity to limit the physical capacity of any new connection based on testing results. Staff recommends that the revisions to the rate schedule and standard offer contract, as well as the updated interconnection agreement be approved as filed.

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 and interconnection agreement may subsequently be revised.

ITEM NO.

CASE

6**PAA

Docket No. 170075-EQ – Petition for approval of revisions to standard offer contract and rate schedule COG-2, by Tampa Electric Company.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ENG: Matthews, Thompson

GCL: Murphy

Issue 1: Should the Commission approve the revised standard offer contract and schedule COG-2 filed by Tampa Electric Company?

Recommendation: Yes. The provisions of TECO’s revised standard offer contract and schedule COG-2 conform to all requirements of Rules 25-17.200 through 25-17.310, F.A.C. TECO’s revised 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. Staff recommends that TECO’s revised tariff sheets for the standard offer contract and revised schedule COG-2 be approved as filed.

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, TECO’s standard offer contract may subsequently be revised.

ITEM NO.

CASE

7**PAA

Docket No. 170076-EQ – Petition for approval of new standard offer for purchase of firm capacity and energy from renewable energy facilities or small qualifying facilities and approval of tariff schedule REF-1, by Gulf Power Company.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ENG: Matthews, Thompson

GCL: Murphy

Issue 1: Should the Commission approve the revised standard offer contract and schedule REF-1 filed by Gulf Power Company?

Recommendation: Yes. The provisions of Gulf’s revised standard offer contract and schedule REF-1 conform to all requirements of Rules 25-17.200 through 25-17.310, F.A.C. Gulf’s revised 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. Staff recommends that Gulf’s revised standard offer contract and schedule REF-1 be approved as filed.

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, Gulf’s standard offer contract may subsequently be revised.

ITEM NO.

CASE

8**PAA

Docket No. 170077-EQ – Petition for approval of renewable energy tariff and standard offer contract, by Florida Power & Light Company.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ENG: Matthews, Thompson

GCL: Corbari

Issue 1: Should the Commission approve the revised renewable energy tariff and standard offer contract filed by Florida Power & Light Company?

Recommendation: Yes. The provisions of FPL’s revised renewable energy tariff and standard offer contract conform to all requirements of Rules 25-17.200 through 25-17.310, F.A.C. FPL’s revised 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. Staff recommends that FPL’s revised renewable energy tariff and standard offer contract be approved as filed.

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, FPL’s standard offer contract may subsequently be revised.

ITEM NO.

CASE

9**PAA

Docket No. 170122-EI – Petition for exemption under Rule 25-22.082(18), F.A.C., from issuing a request for proposals (RFPs) for modernization of the Lauderdale Plant, by Florida Power & Light Company.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Brisé

Staff: ENG: Ellis, Matthews, Thompson

GCL: Murphy

Issue 1: Should the Commission grant FPL's petition for exemption from the RFP requirement of Rule 25-22.082, F.A.C., for the modernization of the Lauderdale Plant?

Recommendation: Yes. The Dania Beach Project meets the requirements for exemption under Rule 25-22.082(18), F.A.C., by reusing the existing Lauderdale plant site and related facilities for a newer, larger, and more efficient unit. Granting the exemption will not relieve the Company of any requirements during a future PPSA need determination proceeding, including a demonstration that the project is the most cost-effective source of power or whether conversion or renewable generation can mitigate the need for the modernization of the Lauderdale Plant.

Issue 2: Should this docket be closed?

Recommendation: Yes. 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

10**PAA

Docket No. 150012-WU – Application for transfer of Certificate No. 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, Graves

AFD: Frank, Norris

ECO: Johnson

GCL: Janjic

(Proposed Agency Action for Issue 2)

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 2015 and 2016 annual reports and all future annual reports. Regulatory assessment fees (RAFs) have been paid through December 31, 2016. SOU should be responsible for all future RAFs.

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

Recommendation: The net book value of the water system for transfer purposes is \$79,051, 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. Specifically, the Utility should confirm that the adjustments to all applicable National Association of Regulatory Utility Commissioners, Uniform System of Accounts (NARUC USOA) primary accounts as shown on Schedule No. 2, Page 3 of 3, of staff's memorandum dated June 30, 2017, have been made to SOU's books and records. In the event the Utility needs additional time to complete the adjustments, notice should be provided within seven days prior to the deadline. Upon providing good cause, staff should be given administrative authority to grant an extension of up to 60 days.

ITEM NO.

CASE

10**PAA

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

(Continued from previous page)

Issue 3: Should this docket be closed?

Recommendation: 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

11**PAA

Docket No. 160075-WU – Joint application for authority to transfer assets and Certificate No. 623-W in Orange and Lake Counties from Oak Springs, LLC to Oak Springs MHC, LLC.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Brisé

Staff: ENG: Watts

AFD: Andrews, Norris

ECO: Hudson, Johnson

GCL: Mapp

(Proposed Agency Action for Issue 2)

Issue 1: Should the transfer of Oak Springs, LLC’s water system and Certificate No. 623-W in Orange and Lake Counties to Oak Springs MHC, LLC be approved?

Recommendation: Yes. The transfer of the water system and Certificate No. 623-W is in the public interest and should be approved effective the date of the Commission vote. The resultant order should serve as the Buyer’s certificate and should be retained by the Buyer. 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.). The Seller should be responsible for all Regulatory Assessment Fees (RAFs) payable through the date of closing. The Buyer has filed the 2015 and 2016 Annual Reports, and will be responsible for all future Annual Reports and RAFs subsequent to the date of closing (May 31, 2015).

Issue 2: What is the appropriate net book value (NBV) for the water system for transfer purposes and should an acquisition adjustment be approved?

Recommendation: The NBV of the water system for transfer purposes is \$106,950 as of May 31, 2015. An acquisition adjustment should not be included in rate base. To ensure that the Buyer adjusts its books in accordance with the Commission decision, it should notify the Commission, within 90 days of the final order in this docket, confirming that the adjustments to all the applicable National Association of Regulatory Utility Commissioners (NARUC), Uniform System of Accounts (USOA) accounts have been made to the Buyer’s books and records. In the event the Buyer needs additional time to complete the adjustments, notice should be provided to staff within seven days prior to the deadline. Upon provided good cause, staff should be given administrative authority to grant an extension of up to 60 days. The adjustments should be reflected in the Buyer’s 2017 Annual Report when filed.

ITEM NO.

CASE

11**PAA

Docket No. 160075-WU – Joint application for authority to transfer assets and Certificate No. 623-W in Orange and Lake Counties from Oak Springs, LLC to Oak Springs MHC, LLC.

(Continued from previous page)

Issue 3: Should this docket be closed?

Recommendation: 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 OSMHC has provided proof that its general ledgers have been updated to reflect the Commission-approved balances as of May 31, 2015.

ITEM NO.

CASE

12**PAA

Docket No. 160165-SU – Application for staff-assisted rate case in Gulf County by ESAD Enterprises, Inc. d/b/a Beaches Sewer Systems, Inc.

Critical Date(s): 12/9/2017 (15-Month Statutory Deadline (SARC))

Commissioners Assigned: All Commissioners

Prehearing Officer: Polmann

Staff: ENG: Matthews, Ellis

AFD: Brown

ECO: Friedrich

GCL: Murphy

(Proposed Agency Action - Except Issue Nos. 17, 18, and 19)

Issue 1: Is the quality of service provided by Beaches Sewer Systems, Inc. satisfactory?

Recommendation: Yes, the quality of service provided by Beaches Sewer Systems, Inc. should be considered satisfactory.

Issue 2: What are the used and useful percentages (U&U) of the Beaches Sewer Systems, Inc. wastewater treatment plant and wastewater collection system?

Recommendation: Beaches' WWTP should be considered 64.3 percent U&U. The wastewater collection system should be considered 90.5 percent U&U. There appears to be no excessive infiltration and inflow (I&I), therefore staff is not recommending an adjustment be made to operating expenses for chemicals and purchased power.

Issue 3: What is the appropriate average test year rate base for Beaches Sewer Systems, Inc.?

Recommendation: The appropriate average test year wastewater rate base for Beaches is \$72,658.

Issue 4: What is the appropriate return on equity and overall rate of return for Beaches Sewer Systems, Inc.?

Recommendation: The appropriate return on equity (ROE) is 11.16 percent with a range of 10.16 percent to 12.16 percent. The appropriate overall rate of return is 5.34 percent.

Issue 5: What are the appropriate test year revenues for Beaches Sewer Systems, Inc.?

Recommendation: The appropriate test year revenues for Beaches are \$131,256.

Issue 6: What is the appropriate amount of operating expense for Beaches Sewer Systems, Inc.?

Recommendation: The appropriate amount of operating expense for Beaches is \$155,232.

ITEM NO.

CASE

12**PAA

Docket No. 160165-SU – Application for staff-assisted rate case in Gulf County by ESAD Enterprises, Inc. d/b/a Beaches Sewer Systems, Inc.

(Continued from previous page)

Issue 7: Should the Commission utilize the operating ratio methodology as an alternative method of calculating the wastewater revenue requirement for Beaches Sewer Systems, Inc., and, if so, what is the appropriate margin?

Recommendation: Yes. The Commission should utilize the operating ratio methodology for calculating the revenue requirement for Beaches. The margin should be 7.25 percent of O&M expense.

Issue 8: What is the appropriate revenue requirement?

Recommendation: The appropriate revenue requirement is \$165,232 resulting in an annual increase of \$33,976 (25.89 percent).

Issue 9: What is the appropriate rate structure and rate for Beaches Sewer Systems, Inc.?

Recommendation: Staff recommends a monthly flat rate for residential and general wastewater service of \$40.26 per month as shown on Schedule No. 4 of staff's memorandum dated June 29, 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 or connections made on or after the stamped approval date on the tariff sheets provided customers have received notice, pursuant to Rule 25-30.475, F.A.C. The Utility should provide proof of noticing within 10 days of rendering its approved notice.

Issue 10: What are the appropriate miscellaneous service charges for Beaches Sewer Systems, Inc.?

Recommendation: The miscellaneous service charges identified in Table 10-4 of staff's memorandum dated June 29, 2017, are appropriate and should be approved. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved miscellaneous service charges. The approved charges should be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets provided customers have received notice, pursuant to Rule 25-30.475, F.A.C. The Utility should provide proof of noticing within 10 days of rendering its approved notice.

Issue 11: Should Beaches Sewer Systems, Inc. be authorized to collect Non-Sufficient Funds Charges (NSF)?

Recommendation: Yes. Beaches should be authorized to collect NSF charges. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved NSF charges. The approved charges should be effective for service rendered on or after the stamped approval date on the tariff sheets provided customers have received notice, pursuant to Rule 25-30.475, F.A.C. The Utility should provide proof of noticing within 10 days of rendering its approved notice.

ITEM NO.

CASE

12**PAA

Docket No. 160165-SU – Application for staff-assisted rate case in Gulf County by ESAD Enterprises, Inc. d/b/a Beaches Sewer Systems, Inc.

(Continued from previous page)

Issue 12: What is the appropriate late payment charge to be implemented by Beaches Sewer Systems, Inc.?

Recommendation: The appropriate late payment charge to be implemented by Beaches should be \$5.43. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved late payment charge. The approved charge should be effective for service rendered on or after the stamped approval date on the tariff sheets provided customers have received notice, pursuant to Rule 25-30.475, F.A.C. The Utility should provide proof of noticing within 10 days of rendering its approved notice.

Issue 13: Should Beaches Sewer System’s existing service availability charges be revised, and if so, what are the appropriate charges?

Recommendation: Yes. Beaches’ existing wastewater service availability charges should be revised in part. A main extension charge of \$373 per ERC should be approved. The recommended service availability charge should be based on an estimated 240 gallons per day of treated wastewater. The Utility’s existing customer connection and plant capacity charges should be continued. The Utility should file revised tariff sheets and a proposed customer notice. Beaches should provide notice to property owners who have requested service 12 months prior to the month the application was filed to the present. The approved charges should be effective for connections made on or after the stamped approval date on the tariff sheets. The Utility should provide proof of noticing within 10 days of rendering its approved notice.

Issue 14: Should Beaches Sewer System’s guaranteed revenue charge be revised?

Recommendation: Yes. Beaches’ guaranteed revenue charge should be revised. Staff’s recommended guaranteed revenue charge is \$11.03 per ERC. The Utility should file revised tariff sheets and a proposed customer notice. Beaches should provide notice to property owners who have requested service 12 months prior to the month the application was filed to the present, as well as all property owners currently paying the guaranteed revenue charge. The approved charge should be effective on or after the stamped approval date on the tariff sheets. The Utility should provide proof of noticing within 10 days of rendering its approved notice.

Issue 15: Should the Utility be required to discontinue the collection of Allowance for Funds Prudently Invested (AFPI) for the collection system?

Recommendation: Yes. Staff recommends that the Utility should be required to discontinue the collection of AFPI charges for the collection system and the tariff for AFPI should be canceled.

ITEM NO.

CASE

12**PAA

Docket No. 160165-SU – Application for staff-assisted rate case in Gulf County by ESAD Enterprises, Inc. d/b/a Beaches Sewer Systems, Inc.

(Continued from previous page)

Issue 16: Should the Commission approve a Phase II increase for pro forma items for Beaches Sewer Systems, Inc.?

Recommendation: No. Staff believes that a final decision on the amount of the Phase II revenue requirement and rates should be made after the Utility has completed the Phase II pro forma projects and the costs have been evaluated. The Utility should complete the pro forma items within 12 months of the issuance of the consummating order. After this period, the Utility should be required to submit within 60 days a copy of the final invoices and cancelled checks for all Phase II pro forma plant and O&M items to staff. If the Utility encounters any unforeseen events that will impede the completion of the pro forma items, the Utility should immediately notify the Commission in writing. Once the required information has been submitted by the Utility and evaluated by staff, a recommendation regarding the appropriate amount of the Phase II revenue requirement and rates should be considered by the Commission.

Issue 17: 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?

Recommendation: The wastewater rates should be reduced as shown on Schedule No. 4 of staff's memorandum dated June 29, 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. 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 Beaches 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

12**PAA

Docket No. 160165-SU – Application for staff-assisted rate case in Gulf County by ESAD Enterprises, Inc. d/b/a Beaches Sewer Systems, Inc.

(Continued from previous page)

Issue 18: Should the recommended rates be approved for Beaches Sewer Systems, Inc. on a temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the Utility?

Recommendation: Yes. Pursuant to Section 367.0814(7), F.S., the recommended rates should be approved for the Utility on a temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the Utility. Beaches 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 June 29, 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’s Office of Commission Clerk no later than the 20th of each 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 19: Should the Utility be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission's decision?

Recommendation: Yes. The Utility should be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission’s decision. Beaches should submit a letter within 90 days of the final order in this docket, confirming that the adjustments to all the applicable NARUC USOA primary accounts have been made to the Utility’s books and records. In the event the Utility needs additional time to complete the adjustments, notice should be provided within seven days prior to deadline. Upon providing good cause, staff should be given administrative authority to grant an extension of up to 60 days.

ITEM NO.

CASE

12**PAA

Docket No. 160165-SU – Application for staff-assisted rate case in Gulf County by ESAD Enterprises, Inc. d/b/a Beaches Sewer Systems, Inc.

(Continued from previous page)

Issue 20: 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 notice have been filed by the Utility and approved by staff, and the Utility has provided staff with proof that the adjustments for all the applicable NARUC USOA primary accounts have been made. Also, the docket should remain open to allow staff to verify that the Phase II pro forma items have been completed, and the Phase II rates properly implemented. Once these actions are complete, this docket should be closed administratively.

ITEM NO.

CASE

13**

Docket No. 170069-EI – Petition for approval of revised underground residential distribution tariffs, by Duke Energy Florida, LLC.

Critical Date(s): 11/30/17 (8-Month Effective Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Ollila

GCL: DuVal

Issue 1: Should the Commission approve Duke's proposed URD tariffs and associated charges?

Recommendation: Yes, the Commission should approve Duke's proposed URD tariffs and associated charges as shown in Attachment A of staff's memorandum dated June 29, 2017, effective July 13, 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

14**

Docket No. 170073-EI – Petition for approval of revised underground residential distribution tariffs, by Tampa Electric Company.

Critical Date(s): 11/30/17 (8-Month Effective Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Rome, Draper

GCL: Mapp

Issue 1: Should the Commission approve TECO's proposed URD tariffs and associated charges?

Recommendation: Yes, the Commission should approve TECO's proposed URD tariffs and other associated charges as shown in Attachment A of staff's memorandum dated June 29, 2017, effective July 13, 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. 160175-GU – Petition for review and determination on the project construction and gas transportation agreement between NUI Utilities, Inc. d/b/a City Gas Company of Florida and Florida Crystals Corporation, and approval of an interim service arrangement.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Brown

Staff: ECO: Guffey, Draper, Rome

GCL: DuVal, Crawford

(Decision Prior to Hearing)

Issue 1: Should the Commission approve the Amended and Restated GTA?

Recommendation: Yes, the Commission should approve the Amended and Restated GTA effective July 13, 2017. City Gas should make a refund to Crystals equal to the difference between the temporary rates approved, pursuant to Order No. PSC-16-0581-PCO-GU and the final rates for the Extended Term included in the Amended and Restated GTA, as applied and calculated with respect to Crystals' usage of gas transportation service from November 16, 2016, through and including the date on which the Commission's order approving the Amended and Restated GTA becomes final by operation of law. City Gas should make such refund, including interest, either by a direct payment to Crystals or by crediting the full amount of the refund to Crystals' bills for service beginning on the date the Commission order becomes final by operation of law and continuing until the full refund amount has been credited to Crystals' bills as the parties jointly requested. As provided in Order No. PSC-16-0581-PCO-GU, the amount of interest shall be calculated, pursuant to Rule 25-7.091(4), F.A.C. City Gas and Crystals should file an executed copy of the Amended and Restated GTA with the Commission within 10 days of the issuance of the final order by the Commission.

Issue 2: Should this docket be closed?

Recommendation: If the Commission approves staff's recommendation in Issue 1, this docket should be closed. If the Commission does not approve staff's recommendation in Issue 1, this docket should remain open to continue the hearing process.

ITEM NO.

CASE

16**

Docket No. 170110-GU – Joint petition for approval of modifications to customer deposit tariff sheets, by Florida Public Utilities Company, Florida Public Utilities Company - Fort Meade, Florida Public Utilities Company - Indiantown Division, and Florida Division of Chesapeake Utilities Corporation.

Critical Date(s): 07/13/17 (60-Day suspension date waived by the Companies until 07/13/17 Agenda)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Guffey

GCL: Brownless

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

Recommendation: Yes, the Commission should approve the Joint Petitioners' proposed tariff modifications, as reflected in Attachment A of staff's memorandum dated June 29, 2017, effective July 13, 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.