

FLORIDA PUBLIC SERVICE COMMISSION

COMMISSION CONFERENCE AGENDA

CONFERENCE DATE AND TIME: Tuesday, December 12, 2017, 9:30 a.m.

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

DATE ISSUED: December 1, 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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Table of Contents
 Commission Conference Agenda
 December 12, 2017

1**	Consent Agenda	1
2**	Docket No. 20170222-WS – Proposed amendment of Rules 25-30.130, Record of Complaints, and 25-30.355, Complaints, F.A.C.....	5
3**	Docket No. 20170098-EI – Complaint by Richard Ralph Malcolm against Florida Power & Light Company.	6
4**PAA	Docket No. 20170138-EI – Petition for initiation of formal proceedings pursuant to Rule 25-22.036, F.A.C., by Devonson A. Walker.	7
5	Docket No. 20170001-EI – Fuel and purchased power cost recovery clause with generating performance incentive factor.	8
6**PAA	Docket No. 20170247-WU – Joint motion requesting Commission approval of settlement agreement by the Office of Public Counsel, Black Bear Waterworks, Inc., Brendenwood Waterworks, Inc., Brevard Waterworks, Inc., Country Walk Utilities, Inc., Harbor Waterworks, Inc., Lake Idlewild Utility Company, Raintree Waterworks, Inc., and Sunny Hills Utility Company.	10
7**PAA	Docket No. 20170005-WS – Annual reestablishment of price increase or decrease index of major categories of operating costs incurred by water and wastewater utilities pursuant to Section 367.081(4)(a), F.S.	12
8	Docket No. 20170007-EI – Environmental cost recovery clause.	13
9**PAA	Docket No. 20170150-EI – Petition for limited proceeding to include reliability and modernization projects in rate base, by Florida Public Utilities Company....	15
10**PAA	Docket No. 20170168-EI – Petition for approval of the second phase of CCR program for cost recovery through the environmental cost recovery clause, by Tampa Electric Company.....	16
11**PAA	Docket No. 20170227-EI – Petition for approval of the waiver and scheduling agreement between Gulf Power Company and Morgan Stanley Capital Group Inc.	17
12**	Docket No. 20150010-WS – Application for staff-assisted rate case in Brevard County by Aquarina Utilities, Inc.	18
13**	Docket No. 20170212-EI – Petition for one-year extension of voluntary solar partnership rider and program, by Florida Power & Light Company.	19
14	Docket No. 20170179-GU – Petition for rate increase by Florida City Gas.	20

Table of Contents
Commission Conference Agenda
December 12, 2017

15**PAA	Docket No. 20170193-GU – Petition for approval of transportation service agreement with Florida Public Utilities Company, by Peninsula Pipeline Company, Inc.	22
16**	Docket No. 20170206-GU – Petition for approval of tariff modifications to accommodate receipt and transportation of renewable natural gas from customers, by Peoples Gas System.	23
17**	Docket No. 20160220-WS – Application for original water and wastewater certificates in Sumter County, by South Sumter Utility Company, LLC.	24
18**PAA	Docket No. 20130265-WU – Application for staff-assisted rate case in Charlotte County by Little Gasparilla Water Utility, Inc.	25
19	Docket No. 20170223-SU – Application for establishment of wastewater allowance for funds prudently invested (AFPI) charges in Highlands, Lake, Marion, Pasco and Pinellas Counties, by Utilities, Inc. of Florida.	28
20**	Docket No. 20170244-WS – Request for approval of amendment to tariff for miscellaneous service charges in Lake County by Lakeside Waterworks, Inc. ...	29

ITEM NO.

CASE

1**

Consent Agenda

PAA

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

<u>DOCKET NO.</u>	<u>COMPANY NAME</u>
20170211-TX	Citadel Design & Construction, LLC

B) Docket No. 20170241-GU – Application for authority to issue debt security during calendar year 2018, pursuant to Section 366.04, F.S., and Chapter 25-8, F.A.C., by Florida City Gas.

Florida City Gas (Company) seeks authority to finance its on-going cash requirements through its participation and borrowings from, and investments in, Southern Gas Company's (formerly AGL Resources Inc.'s) Utility Money Pool during 2018. Florida City Gas is a division of Pivotal Utility Holdings, Inc., which is a wholly-owned subsidiary of Southern Gas Company. The maximum aggregate short-term borrowings by Pivotal Utility Holdings, Inc.'s three utilities (Elizabethtown Gas, Elkton Gas, and Florida City Gas) from the Utility Money Pool during 2018 will not exceed \$800 million. Florida City Gas states that its share of these borrowings will not exceed \$250 million.

In connection with this application, Florida City Gas confirms that the capital raised pursuant to this application will be used in connection with the regulated natural gas operations of Florida City Gas and not the unregulated activities of the Company or its affiliates.

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

ITEM NO.

CASE

1**

Consent Agenda

(Continued from previous page)

- C) Docket No. 20170237-WU - Application of Section 367.0816, Florida Statutes, recovery of rate case expense, to Peoples Water Service Company of Florida, Inc. in Escambia County.

Pursuant to Order No. PSC-13-0647-PAA-WU, issued December 5, 2013, Peoples Water Service Company of Florida, Inc. (Peoples) was allowed to recover rate case expense of \$46,005 amortized over four years at \$11,501 per year. Section 367.0816, F.S., required that the rates be reduced immediately following the expiration of the four-year period by the amount of the rate case expense previously included in rates. The four-year amortization period expires on December 31, 2017. Inadvertently, the rate reduction to the respective base facility and gallonage charges was not reflected in the order. Attached is a schedule reflecting the rate reductions that should have been reflected in the order. Peoples agrees with the rate reductions.

ITEM NO.

CASE

1**

Consent Agenda

(Continued from previous page)

Schedule 1

<u>Residential and General Service</u>	<u>Four Year Rate Reduction</u>
Base Facility Charges by Meter Size	
5/8" x 3/4"	\$0.03
1"	\$0.08
1 1/4"	\$0.12
1 1/2"	\$0.15
2"	\$0.24
3"	\$0.48
4"	\$0.75
6"	\$1.50
8"	\$2.40
10"	\$4.35
Charge per 1,000 gallons- Residential	
0 - 3,000 Gallons	\$0.01
3,001-6,000 Gallons	\$0.02
6,001-12,000 Gallons	\$0.02
Over 12,000 Gallons	\$0.03
Charge per 1,000 gallons- General Service	\$0.01
<u>Multi-Family - per unit</u>	
Base Facility Charge - All Meter Sizes	\$0.03
Charge Per 1,000 gallons	\$0.01
<u>Private Fire Protection</u>	
2"	\$0.02
3"	\$0.04
4"	\$0.06
6"	\$0.13
8"	\$0.20
10"	\$0.36

ITEM NO.

CASE

1**

Consent Agenda

(Continued from previous page)

Recommendation: The Commission should approve the actions requested in the dockets referenced above. Docket No. 20170211-TX should be closed. For monitoring purposes, Docket No. 20170241-GU should remain open until April 26, 2019, to allow the Company time to file the required Consummation Report. Docket No. 20170237-WU 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. Once these actions are complete, this docket should be closed administratively.

ITEM NO.

CASE

2**

Docket No. 20170222-WS – Proposed amendment of Rules 25-30.130, Record of Complaints, and 25-30.355, Complaints, F.A.C.

Rule Status: Proposed

Commissioners Assigned: All Commissioners

Prehearing Officer: Graham

Staff: GCL: Cowdery

CAO: Hicks

ECO: Guffey

ENG: Graves, King

(Proposal May Be Deferred)

Issue 1: Should the Commission propose the amendment of Rules 25-30.130, Record of Complaints, and 25-30.355, Complaints, F.A.C.?

Recommendation: Yes, the Commission should propose the amendment of Rules 25-30.130 and 25-30.355, F.A.C., as set forth in Attachment A of staff's memorandum dated November 30, 2017. Staff recommends that the Commission certify proposed amended Rules 25-30.130 and 25-30.355, F.A.C., as minor violation rules.

Issue 2: Should this docket be closed?

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

ITEM NO.

CASE

3**

Docket No. 20170098-EI – Complaint by Richard Ralph Malcolm against Florida Power & Light Company.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Brisé

Staff: GCL: Page

CAO: Hicks, Plescow

ECO: Ollila

Issue 1: Should the Commission dismiss on its own motion Mr. Malcolm's petition for failure to comply with the pleading requirements of Rule 28-106.201, F.A.C.?

Recommendation: Yes, Mr. Malcolm's petition for formal hearing on his complaint against FPL should be dismissed for failure to comply with the pleading requirements of Rule 28-106.201, F.A.C., without prejudice to file a timely amended petition pursuant to Section 120.569(2)(c), F.S. Mr. Malcolm should be given 10 days after the issuance of the Commission order dismissing his petition to file an amended petition.

Issue 2: Should this docket be closed?

Recommendation: Yes. This docket should be closed if Mr. Malcolm does not file an amended petition within 10 days of the issuance of the Commission's order dismissing his petition.

ITEM NO.

CASE

4**PAA

Docket No. 20170138-EI – Petition for initiation of formal proceedings pursuant to Rule 25-22.036, F.A.C., by Devonson A. Walker.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Graham

Staff: GCL: Page

CAO: Hicks, Plescow

ECO: Olila

(Issue 2 is Proposed Agency Action)

Issue 1: Should the Commission grant FPL's Motion to Dismiss the Complaint?

Recommendation: The Commission should grant in part and deny in part FPL's Motion to Dismiss the Complaint.

Issue 2: What is the appropriate disposition of Mr. Walker's complaint?

Recommendation: Mr. Walker's formal complaint should be denied. FPL properly handled Mr. Walker's account in compliance with Commission rules, statutes, and orders and FPL's tariffs.

Issue 3: Should this docket be closed?

Recommendation: If no person whose substantial interests are affected by the proposed agency action in Issue 2 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

5

Docket No. 20170001-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, Higgins, Stratis, Wu

ENG: Ellis, O. Wooten

GCL: Brownless, Janjic

(Post-Hearing Decision - Participation is Limited to Commissioners and Staff)

Issue A: Should FPL's Unopposed Motion for Leave to File Response to New Issue Raised in FIPUG's Post Hearing Brief be granted?

Recommendation: Yes, the Commission should grant FPL's Unopposed Motion for Leave to File Response to New Issue Raised in FIPUG's Post Hearing Brief (Motion).

Issue B: Does the Commission have jurisdiction to approve the SoBRA projects in this docket?

Recommendation: Yes. The Commission has the authority to approve the recovery of FPL's 2017 and 2018 solar projects through base rates in this docket.

Issue 2L: What is the appropriate base rate percentage increase for the 2017 SOBRA projects to be effective when all 2017 projects are in service, currently projected to be January 1, 2018?

Recommendation: The appropriate base rate percentage increase (SoBRA Factor) for the 2017 SoBRA projects is 0.937 percent.

Issue 2M: Are the 2018 SoBRA projects proposed by FPL (Hammock, Barefoot Bay, Blue Cypress and Loggerhead) cost effective?

Recommendation: Yes. Based on the evidence contained in the record, FPL's proposed solar projects are projected to produce savings under multiple scenarios. FPL also has met the terms of 2016 Agreement in regards to keeping construction cost under the \$1,750 per kW_{ac} cost cap.

Issue 2N: What are the revenue requirements associated with the 2018 SoBRA projects?

Recommendation: The jurisdictional annualized revenue requirements associated with the 2018 SoBRA projects are \$59.89 million.

Issue 2O: What is the appropriate base rate percentage increase for the 2018 SoBRA projects to be effective when all 2018 projects are in service, currently projected to be March 1, 2018?

Recommendation: The appropriate base rate percentage increase (SoBRA Factor) for the 2018 SoBRA projects is 0.919 percent.

ITEM NO.

CASE

5

Docket No. 20170001-EI – Fuel and purchased power cost recovery clause with generating performance incentive factor.

(Continued from previous page)

Issue 2P: Should the Commission approve revised tariffs for FPL reflecting the base rate percentage increases for the 2017 and 2018 SoBRA projects determined to be appropriate in this proceeding?

Recommendation: Yes. The Commission should approve revised tariffs for FPL reflecting the base rate percentage increases for the 2017 and 2018 SoBRA projects determined to be appropriate in this proceeding.

Issue 36: Should this docket be closed?

Recommendation: No. While a separate docket number is assigned each year for administrative convenience, this is a continuing docket and should remain open.

ITEM NO.

CASE

6**PAA

Docket No. 20170247-WU – Joint motion requesting Commission approval of settlement agreement by the Office of Public Counsel, Black Bear Waterworks, Inc., Brendenwood Waterworks, Inc., Brevard Waterworks, Inc., Country Walk Utilities, Inc., Harbor Waterworks, Inc., Lake Idlewild Utility Company, Raintree Waterworks, Inc., and Sunny Hills Utility Company.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Clark

Staff: AFD: Mouring

ECO: Hudson

GCL: Taylor, Crawford

Issue 1: Should the Commission approve the Joint Motion and Settlement Agreement by the Parties?

Recommendation: Yes. The proposed Settlement Agreement adequately addresses the potential overearnings staff had previously identified during its ongoing earnings surveillance activities.

As applicable, the Utilities should make refunds, credit CIAC, and reduce rates as outlined in the Settlement Agreement. Schedule No. 1 of staff's memorandum dated November 30, 2017, reflects staff's recommended rates per the Settlement Agreement. Brendenwood Waterworks, Inc. should file a proposed customer notice reflecting the Commission's decision within 15 days of the Commission vote. The approved rates should be effective for service rendered on or after the stamped approval date of the tariff pursuant to Rule 25-30.475(1), Florida Administrative Code (F.A.C.), after staff has verified that the proposed customer notice is adequate and this notice has been provided to the customer. The Settlement Agreement specifies that this rate reduction should be effective the first billing cycle in January 2018. Brendenwood Waterworks, Inc. should provide proof that the customers have received notice within 10 days after the date of the notice.

ITEM NO.

CASE

6**PAA

Docket No. 20170247-WU – Joint motion requesting Commission approval of settlement agreement by the Office of Public Counsel, Black Bear Waterworks, Inc., Brendenwood Waterworks, Inc., Brevard Waterworks, Inc., Country Walk Utilities, Inc., Harbor Waterworks, Inc., Lake Idlewild Utility Company, Raintree Waterworks, Inc., and Sunny Hills Utility Company.

(Continued from previous page)

Issue 2: Should this docket be closed?

Recommendation: No. If no timely protest is received from a substantially affected person upon expiration of the protest period, the PAA Order will become final upon the issuance of a Consummating Order. However, this docket should remain open to allow staff to verify completion of the refunds discussed in Issue 1 and to verify that the revised tariff sheets and customer notice have been filed by Brendenwood Waterworks, Inc. and approved by staff. Once staff has verified that the notice has been provided and refunds have been made in accordance with Rule 25-30.360, F.A.C., the docket should be closed administratively.

ITEM NO.

CASE

7**PAA

Docket No. 20170005-WS – Annual reestablishment of price increase or decrease index of major categories of operating costs incurred by water and wastewater utilities pursuant to Section 367.081(4)(a), F.S.

Critical Date(s): 3/31/18 (Statutory Reestablishment Deadline)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: AFD: Andrews, Norris

GCL: Taylor

Issue 1: Which index should be used to determine price level adjustments?

Recommendation: The Gross Domestic Product Implicit Price Deflator Index is recommended for use in calculating price level adjustments. Staff recommends calculating the 2018 price index by using a fiscal year, four quarter comparison of the Implicit Price Deflator Index ending with the third quarter of 2017.

Issue 2: What rate should be used by water and wastewater utilities for the 2018 Price Index?

Recommendation: The 2018 Price Index for water and wastewater utilities should be 1.76 percent.

Issue 3: How should the utilities be informed of the indexing requirements?

Recommendation: Pursuant to Rule 25-30.420(1), F.A.C., the Office of Commission Clerk, after the expiration of the Proposed Agency Action (PAA) protest period, should mail each regulated water and wastewater utility a copy of the PAA order establishing the index containing the information presented in Form PSC/AFD 15 (4/99) and Appendix A (Attachment 1 of staff's memorandum dated November 30, 2017). Because Rule 25-30.420(1), F.A.C., references Form PSC/AFD 15 (4/99), staff would note that there will be rulemaking necessary. A cover letter from the Director of the Division of Accounting and Finance should be included with the mailing of the order (Attachment 2 of staff's memorandum dated November 30, 2017). The entire package will also be made available on the Commission's website.

Issue 4: Should this docket be closed?

Recommendation: No. Upon expiration of the 14-day protest period, if a timely protest is not received, the decision should become final and effective upon the issuance of a Consummating Order. Any party filing a protest should be required to prefile testimony with the protest. However, this docket should remain open through the end of the year and be closed upon the establishment of the new docket on January 2, 2018.

ITEM NO.

CASE

8

Docket No. 20170007-EI – Environmental cost recovery clause.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Brisé

Staff: ENG: Mtenga, Ellis

AFD: Smith II

ECO: Wu

GCL: Cuello, DuVal, Murphy

(Post-Hearing Decision - Participation is Limited to Commissioners and Staff)

Issue 10A: Should FPL be allowed to recover, through the ECRC, prudently incurred costs, if any, associated with the June 20, 2016 Consent Order between FPL and the Florida Department of Environmental Protection and the October 2015 Consent Agreement between FPL and the Miami-Dade County Department of Environmental Resources Management (as amended by the August 15, 2016 Consent Agreement Addendum)?

Recommendation: Yes. FPL should be allowed to recover the TPCCMP Disputed Costs, if prudently incurred, through the ECRC. The TPCCMP Disputed Costs are costs incurred after the inception of the ECRC and are not being recovered through another clause mechanism or base rates. Staff recommends that FPL is subject to new governmentally imposed environmental requirements enacted after FPL's last test year on the date of filing in the 2016 ECRC proceeding. The prudence of the TPCCMP Disputed Cost activities is addressed in Issue 10B.

Issue 10B: Which costs, if any, associated with the June 20, 2016 Consent Order between FPL and the Florida Department of Environmental Protection and the October 2015 Consent Agreement between FPL and the Miami-Dade County Department of Environmental Resources Management (as amended by the August 15, 2016 Consent Agreement Addendum) were prudently incurred?

Recommendation: Staff recommends that FPL has prudently incurred the 2015 and 2016 TPCCMP Disputed Costs, and that FPL's request for 2017 and 2018 TPCCMP Disputed Costs are reasonable. However, FPL has not met its burden of proof that the \$1.5 million escrow deposit component is associated with the operation of the CCS for the direct benefit of FPL's customers. Staff notes that the 2017 and 2018 TPCCMP Disputed Costs and removal of the escrow payment are subject to true-up in future ECRC proceedings.

ITEM NO.

CASE

8

Docket No. 20170007-EI – Environmental cost recovery clause.

(Continued from previous page)

Issue 10C: Should the costs FPL seeks to recover in this docket be considered part of its Turkey Point Cooling Canal Monitoring Plan project?

Recommendation: Yes. Based on the TPCCMP Approval Order, the TPCCMP Disputed Costs should be considered part of the existing TPCCMP project. The costs FPL is requesting to recover are the result of the anticipated evolution of the original TPCCMP program.

Issue 10D: Is FPL's proposed allocation of costs associated with the June 20, 2016 Consent Order between FPL and the Florida Department of Environmental Protection and the October 2015 Consent Agreement between FPL and the Miami-Dade County Department of Environmental Resources Management (as amended by the August 15, 2016 Consent Agreement Addendum) between O&M and capital appropriate? If not, what is the correct allocation of costs between O&M and capital?

Recommendation: Yes. Staff recommends that the RWS and related activities perform both remediation and containment functions. Consistent with accounting principles, remediation expenses should be recovered as O&M, and containment should be recovered as capital. Based on the record, staff recommends that the Company's proposed allocation of costs is appropriate, and should be 74 percent containment (capital) and 26 percent remediation (O&M) for the RWS and related activities.

Issue 10E: How should the costs associated with the June 20, 2016 Consent Order between FPL and the Florida Department of Environmental Protection and the October 2015 Consent Agreement between FPL and the Miami-Dade County Department of Environmental Resources Management (as amended by the August 15, 2016 Consent Agreement Addendum) be allocated to the rate classes?

Recommendation: TPCCMP Disputed Costs should be allocated pursuant to the Commission's Order No. PSC-09-0759-FOF-EI.

ITEM NO.

CASE

9**PAA

Docket No. 20170150-EI – Petition for limited proceeding to include reliability and modernization projects in rate base, by Florida Public Utilities Company.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Brown

Staff: ENG: P. Buys, Ellis, Graves, King, Thompson

AFD: Barrett, Brown, Mouring, Vogel

ECO: Draper, Higgins, Ollila, Stratis

GCL: Brownless

(Motion to Approve Settlement and Stipulation Prior to Hearing)

ITEM NO.

CASE

10**PAA

Docket No. 20170168-EI – Petition for approval of the second phase of CCR program for cost recovery through the environmental cost recovery clause, by Tampa Electric Company.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Brown

Staff: ENG: Mtenga, Ellis

ECO: Wu

GCL: Murphy, Cuello

Issue 1: Should the Commission approve Tampa Electric Company's petition for approval of the second phase of its proposed CCR Compliance Program for cost recovery through the Environmental Cost Recovery Clause?

Recommendation: Yes. Staff recommends that the Commission approve TECO's second phase of its proposed CCR Compliance Program to comply with the EPA's CCR Rule. The Economizer Ash Closure Project is a compliance activity associated with the Company's previously approved CCR Compliance Program. Staff recommends that the operations and maintenance (O&M) costs associated with this project be allocated to rate classes on an energy basis and capital costs to complete this project should be allocated to appropriate rate classes on a demand basis.

Issue 2: Should this docket be closed?

Recommendation: Yes. This docket should be closed upon issuance of a Consummating Order unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the proposed agency action.

ITEM NO.

CASE

11**PAA

Docket No. 20170227-EI – Petition for approval of the waiver and scheduling agreement between Gulf Power Company and Morgan Stanley Capital Group Inc.

Critical Date(s): Pursuant to Section C(2) of the Waiver and Scheduling Agreement, either party may terminate the agreement in the event that a final order is not rendered on or before December 30, 2017.

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ENG: Thompson, Ellis, King

GCL: Cuello

Issue 1: Should the Commission approve Gulf Power Company’s petition for approval of the Waiver and Scheduling Agreement with Morgan Stanley Capital Group, Inc.?

Recommendation: Yes. The Waiver Agreement will result in monthly credits to Gulf from Morgan Stanley, which results in an estimated total net present value (NPV) savings to ratepayers of approximately \$17.2 million from 2019 through 2035. Through the Waiver Agreement, energy deliveries under the Kingfisher I EPA will operate in the same manner as the Kingfisher II EPA, previously approved by the Commission. In addition, the core provisions of the Kingfisher I EPA, including total energy delivery amounts, pricing, reliability, security, and risk allocation remain unchanged. Therefore, staff recommends that the Commission approve Gulf’s petition for approval of the Waiver Agreement with Morgan Stanley.

Issue 2: Should this docket be closed?

Recommendation: Yes. If no person whose substantial interests are affected by the proposed agency action (PAA) files a protest within 21 days of the issuance of the PAA Order, a Consummating Order should be issued and the docket should be closed.

ITEM NO.

CASE

12**

Docket No. 20150010-WS – Application for staff-assisted rate case in Brevard County by Aquarina Utilities, Inc.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Brisé

Staff: ENG: Lewis, King

AFD: Mouring, Smith II

GCL: Murphy

Issue 1: Should the Commission approve Aquarina’s request for extension of time to complete its required Phase II pro forma plant items pursuant to Order No. PSC-16-0583-PAA-WS?

Recommendation: Yes. The Commission should approve Aquarina’s request for an extension of time to complete its required Phase II pro forma plant items before March 1, 2018.

Issue 2: Should this docket be closed?

Recommendation: No. The docket should remain open for a decision by the Commission on the appropriate Phase II revenue requirement and rates.

ITEM NO.

CASE

13**

Docket No. 20170212-EI – Petition for one-year extension of voluntary solar partnership rider and program, by Florida Power & Light Company.

Critical Date(s): 8-Month Effective Date: 06/01/18 (60-day suspension date waived by the utility)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Doherty

GCL: Mapp

Issue 1: Should the Commission approve the one-year extension of the VSP program?

Recommendation: Yes. The Commission should approve the one-year extension of the VSP program.

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, 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. 20170179-GU** – Petition for rate increase by Florida City Gas.

Critical Date(s): 12/22/17 (60-Day Suspension Date)
06/23/18 (8-Month Effective Date)

Commissioners Assigned: All Commissioners
Prehearing Officer: Polmann

Staff: ECO: Draper, Doherty, Guffey
AFD: Mouring, D. Buys
GCL: Trierweiler, Cuello, Janjic

(Decision on Interim Rates – Participation is at the Discretion of the Commission)

Issue 1: Should the request for a permanent increase in rates and charges be suspended for FCG?

Recommendation: Yes. Staff recommends that the requested permanent increase in rates and charges be suspended for FCG.

Issue 2: Is FCG's proposed interim rate base of \$209,312,678 appropriate?

Recommendation: Yes. The appropriate interim rate base for FCG is \$209,312,678.

Issue 3: Is FCG's proposed interim return on equity of 10.25 percent and overall cost of capital of 5.85 percent reasonable for the purpose of determining interim rates?

Recommendation: Yes. FCG's proposed return on equity of 10.25 percent and overall cost of capital of 5.85 percent are reasonable for purposes of determining interim rates.

Issue 4: Is FCG's proposed interim test year net operating income of \$9,221,584 appropriate?

Recommendation: Yes. The appropriate historical base year ended December 31, 2016 net operating income for FCG is \$9,221,584.

Issue 5: Is FCG's proposed interim net operating income multiplier of 1.6185 appropriate?

Recommendation: Yes. FCG's proposed interim net operating income multiplier of 1.6185 is appropriate.

Issue 6: Should FCG's requested interim revenue increase of \$4,893,061 be granted?

Recommendation: Yes. FCG's requested interim revenue increase of \$4,893,061 should be granted.

ITEM NO.

CASE

14

Docket No. 20170179-GU – Petition for rate increase by Florida City Gas.

(Continued from previous page)

Issue 7: How should the interim revenue increase for FCG be distributed among the rate classes?

Recommendation: Any interim revenue increase authorized should be applied evenly across the board to all rate classes based on their base rate revenues, as required by Rule 25-7.040, Florida Administrative Code, (F.A.C.), and should be collected on a cents-per-therm basis. The interim rates should be made effective for all meter readings made on or after thirty days from the date of the Commission vote and decision herein. The Company should provide pursuant to Rule 25-22.0406(8), F.A.C., notice to customers of the revised rates with the first bill containing the new rates. The Company should file tariff sheets reflecting the Commission approved interim rates.

Issue 8: What is the appropriate security to guarantee the amount subject to refund?

Recommendation: The appropriate security to guarantee the funds collected subject to refund is a corporate undertaking.

Issue 9: Should this docket be closed?

Recommendation: No. This docket should remain open to process the revenue increase request of the Company.

ITEM NO.

CASE

15**PAA

Docket No. 20170193-GU – Petition for approval of transportation service agreement with Florida Public Utilities Company, by Peninsula Pipeline Company, Inc.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Brisé

Staff: ECO: Doherty, Draper

GCL: Mapp

Issue 1: Should the Commission approve the Agreement between Peninsula and FPUC?

Recommendation: Yes. The Commission should approve the proposed Agreement between Peninsula and FPUC dated August 25, 2017.

Issue 2: Should this docket be closed?

Recommendation: Yes. 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. 20170206-GU – Petition for approval of tariff modifications to accommodate receipt and transportation of renewable natural gas from customers, by Peoples Gas System.

Critical Date(s): 8-Month Effective Date: 5/19/18 (60-day suspension date waived by the utility)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Olila

GCL: Trierweiler, Dziechciarz

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

Recommendation: Yes, the Commission should approve Peoples' proposed tariff modifications, as revised on October 20, 2017, effective December 12, 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

17**

Docket No. 20160220-WS – Application for original water and wastewater certificates in Sumter County, by South Sumter Utility Company, LLC.

Critical Date(s): 12/11/17 (60-Day Suspension Date Waived by the Utility to 12/12/17)

Commissioners Assigned: All Commissioners

Prehearing Officer: Graham

Staff: ECO: Friedrich, Hudson

GCL: Taylor

Issue 1: Should the utility's initial water and wastewater rates and charges be suspended?

Recommendation: Yes. The utility's initial water and wastewater rates and charges should be suspended.

Issue 2: Should this docket be closed?

Recommendation: This docket should remain open pending the Commission's final action on the utility's request to establish its original water and wastewater rates.

ITEM NO.

CASE

18**PAA

Docket No. 20130265-WU – Application for staff-assisted rate case in Charlotte County by Little Gasparilla Water Utility, Inc.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Polmann

Staff: ECO: Bruce, Hudson
AFD: Golden, Galloway
ENG: P. Buys
GCL: Murphy

(Proposed Agency Action Except Issues 3 and 4)

Issue 1: What is the appropriate Phase II revenue requirement, return on equity, and overall rate for Little Gasparilla?

Recommendation: The appropriate revenue requirement is \$413,652, resulting in an annual increase of \$69,252 for water (20.11 percent). 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 6.55 percent.

Issue 2: What are the appropriate water rates for Phase II?

Recommendation: The Phase II rate increase of 20.16 percent for water should be applied to the existing rates as shown on Schedule No. 4 of staff's memorandum dated November 30, 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 sheets 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.

ITEM NO.

CASE

18**PAA

Docket No. 20130265-WU – Application for staff-assisted rate case in Charlotte County by Little Gasparilla Water Utility, Inc.

(Continued from previous page)

Issue 3: What is the appropriate amount by which rates should be reduced four years after the established effective date to reflect the removal of the amortized rate case expense as required by Section 367.0816?

Recommendation: The water rates should be reduced as shown on Schedule No. 4 of staff's memorandum dated November 30, 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 Little Gasparilla 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.

Issue 4: Should the recommended rates be approved for the Utility on a temporary basis, subject to refund, 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, in the event of a protest filed by a party other than the Utility. 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 November 30, 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.

ITEM NO.

CASE

18**PAA

Docket No. 20130265-WU – Application for staff-assisted rate case in Charlotte County by Little Gasparilla Water Utility, Inc.

(Continued from previous page)

Issue 5: 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 the 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

19

Docket No. 20170223-SU – Application for establishment of wastewater allowance for funds prudently invested (AFPI) charges in Highlands, Lake, Marion, Pasco and Pinellas Counties, by Utilities, Inc. of Florida.

Critical Date(s): 12/15/17 (60-Day Suspension Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Bruce

GCL: Trierweiler

(Participation is at the Discretion of the Commission)

Issue 1: Should the Commission suspend UIF's proposed tariff to establish AFPI charges for LUSI, Labrador, Lake Placid, Mid County, and UIF-Marion wastewater systems?

Recommendation: Yes. UIF's proposed tariff to establish AFPI charges for LUSI, Labrador, Lake Placid, Mid County, and UIF-Marion wastewater systems should be suspended.

Issue 2: Should this docket be closed?

Recommendation: No. The docket should remain open pending the Commission's final action on the UIF's requested approval to establish AFPI wastewater charges.

ITEM NO.

CASE

20**

Docket No. 20170244-WS – Request for approval of amendment to tariff for miscellaneous service charges in Lake County by Lakeside Waterworks, Inc.

Critical Date(s): 1/14/18 (60-Day Suspension Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Bruce

GCL: Janjic

Issue 1: Should the Commission approve Lakeside’s proposed tariff to increase miscellaneous service charges in Lake County?

Recommendation: Yes. The miscellaneous service charges identified in Table 1-5 of staff’s memorandum dated November 30, 2017 are appropriate and should be approved. The charges should be effective on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, Florida Administrative Code (F.A.C.). In addition, the approved charges 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: Should this docket be closed?

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