

FLORIDA PUBLIC SERVICE COMMISSION

COMMISSION CONFERENCE AGENDA

CONFERENCE DATE AND TIME: Tuesday, February 6, 2018, 9:30 a.m.

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

DATE ISSUED: January 25, 2018

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

20170256-TX

Paradigm Telecom II, LLC

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

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: Brown

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 January 25, 2018. 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. 20170262-TP – Amendments to Rule 25-4.004, F.A.C., Certificates of Necessity or Authority; Application and repeal of Rule 25-4.005, F.A.C., Transfer of Certificate of Necessity or Authority.

Rule Status: Proposed

Commissioners Assigned: All Commissioners

Prehearing Officer: Polmann

Staff: GCL: Page

IDM: Fogleman

ECO: Olila

(Proposal May be Deferred)

Issue 1: Should the Commission propose the amendment of Rule 25-4.004, F.A.C., Certificates of Necessity or Authority; Application and the repeal of Rule 25-4.005, F.A.C., Transfer of Certificate of Necessity or Authority?

Recommendation: Yes, the Commission should propose the amendment of Rule 25-4.004, F.A.C., and the repeal of Rule 25-4.005, F.A.C., as set forth in Attachment A of staff's memorandum dated January 25, 2018. Staff recommends that the Commission certify amended Rule 25-4.004, F.A.C., as a minor violation rule.

Issue 2: Should this docket be closed?

Recommendation: Yes, if no requests for hearing or comments are filed, the rules as proposed should be filed for adoption with the Secretary of State and the docket should be closed.

ITEM NO.

CASE

4**

Docket No. 20170263-TP – Amendments to Rule 25-4.511, F.A.C., Application for Certificate and repeal of Rule 25-4.512, F.A.C., Application for Approval of Sale or Transfer of Certificate.

Rule Status: Proposed

Commissioners Assigned: All Commissioners

Prehearing Officer: Polmann

Staff: GCL: Page

IDM: Fogleman

ECO: Olila

(Proposal May Be Deferred)

Issue 1: Should the Commission propose the amendment of Rule 25-4.511, F.A.C., Application for Certificate, and the repeal of Rule 25-4.512, F.A.C., Application for Approval of Sale or Transfer of Certificate?

Recommendation: Yes. The Commission should propose the amendment of Rule 25-4.511, F.A.C., and the repeal of Rule 25-4.512, F.A.C., as set forth in Attachment A of staff's memorandum dated January 25, 2018. Staff recommends that the Commission certify amended Rule 25-4.511, F.A.C., as a minor violation rule.

Issue 2: Should this docket be closed?

Recommendation: Yes, if no requests for hearing or comments are filed, the rules as proposed should be filed for adoption with the Secretary of State and the docket should be closed.

ITEM NO.

CASE

5**

Docket No. 20110254-WS – Initiation of show cause proceedings against Four Points Utility Corporation in Polk County for violation of Commission rules and regulations as outlined in the Florida Public Service Commission's management audit for Four Points Utility Corporation and Bimini Bay Utilities Corporation issued June 2011.

Docket No. 20170270-WS – Application for acknowledgment of transfer of receivership to Polk County, and cancellation of Certificate Nos. 634-W and 544-S, by Four Points Utility Corporation.

Critical Date(s): None

Commissioners Assigned: All Commissioners (20110254-WS)
Administrative (20170270-WS)

Prehearing Officer: Administrative (20110254-WS)
Administrative (20170270-WS)

Staff: GCL: Janjic, Crawford
ECO: Daniel
ENG: Lewis, Graves, Knoblauch

Issue 1: Should the Commission acknowledge the transfer of receivership of Four Points Utility Corporation from Michael Smallridge to Polk County, and cancel Certificate Nos. 634-W and 544-S?

Recommendation: Yes. Sufficient documentation of the Court Ordered transfer of receivership has been provided to the Commission. Additionally, information regarding the disposition of customer deposits and regulatory assessment fees has been provided. Therefore, pursuant to Section 367.022(2), F.S., the Commission should acknowledge the transfer of receivership of Four Points Utility Corporation from Michael Smallridge to Polk County and cancel Certificate Nos. 634-W and 544-S.

Issue 2: Should the Commission pursue any further action against Four Points Utility Corporation?

Recommendation: No. Staff recommends that no further action against Four Points Utility Corporation is necessary.

Issue 3: Should these dockets be closed?

Recommendation: Docket Nos. 20110254-WS and 20170270-WS should be closed.

ITEM NO.

CASE

6**

Docket No. 20180001-EI – Fuel and purchased power cost recovery clause with generating performance incentive factor.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Clark

Staff: AFD: Barrett, Galloway

ECO: Draper, Guffey

ENG: Lee

GCL: Brownless

Issue 1: Should the Commission approve FPL's Petition for mid-course correction to its fuel and capacity cost recovery factors, associated tariff sheets, and revised GPIF Targets and Ranges?

Recommendation: Yes. FPL's request for mid-course correction to its 2018 fuel and capacity cost recovery factors, associated tariff sheets, and revised 2018 GPIF Target and Ranges should be approved. The recommended fuel and capacity cost recovery factors are presented in Attachments A and B, respectively, of staff's memorandum dated January 25, 2018, and the revised 2018 GPIF Targets and Ranges are presented in Attachment C of staff's memorandum. The associated tariff sheets are presented in Attachment D of staff's memorandum. The revised fuel and cost recovery factors, the associated tariff sheets, and the revised GPIF Target and Ranges should become effective with the March 2018 billing cycle, which begins on March 1, 2018.

Issue 2: Should this docket be closed?

Recommendation: The fuel docket is on-going and should remain open.

ITEM NO.

CASE

7**

Docket No. 20180013-PU – Petition to establish a generic docket to investigate and adjust rates for 2018 tax savings, by Office of Public Counsel.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: AFD: Cicchetti, Fletcher

ECO: Daniel, Draper

GCL: Brownless

Issue 1: What should the effective date be for adjustments associated with the Tax Cuts and Jobs Act of 2017?

Recommendation: Unless the utilities agree to a January 1, 2018 effective date, the effective date for adjustments associated with the Tax Cuts and Jobs Act of 2017 should be February 6, 2018, for utilities that do not have settlement agreements addressing this issue. For utilities that have settlement agreements addressing this issue, the terms of each settlement agreement should control.

Issue 2: Should this docket be closed?

Recommendation: No, this docket should remain open pending resolution of all issues raised.

ITEM NO.

CASE

8**

Docket No. 20170272-EI – Application for limited proceeding for recovery of incremental storm restoration costs related to Hurricanes Irma and Nate, by Duke Energy Florida, LLC.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Brown

Staff: AFD: D. Smith, Mouring, D. Buys

ECO: Doherty, Draper

ENG: P. Buys, Graves

GCL: Crawford, Mapp, Janjic

Issue 1: Should the Commission authorize DEF to implement an interim storm restoration recovery charge?

Recommendation: Yes, the Commission should authorize DEF to implement an interim storm restoration recovery charge. Once the total actual storm costs are known, DEF should be required to file documentation of the total storm costs for Commission review and true-up of any excess or shortfall.

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

Issue 2: Should the Commission approve DEF's proposed tariffs?

Recommendation: Yes. The Commission should approve DEF's proposed tariffs to go into effect February 6, 2018.

Issue 3: Should this docket be closed?

Recommendation: This docket should remain open pending final reconciliation of actual recoverable storm costs with the amount collected pursuant to the interim storm restoration recovery charge, and the calculation of a refund or additional charge if warranted.

ITEM NO.

CASE

9**PAA

Docket No. 20170226-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: Thompson, Ellis, King

GCL: Dziechciarz, Cuello

Issue 1: Should the Commission approve the amended 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 the requirements of Rules 25-17.200 through 25-17.310, F.A.C. FPL does not have any avoidable fossil fueled generating units or avoidable power purchases in the upcoming 10-year planning period. However, FPL has identified its next avoidable unit rather than offer only energy payments in its standard offer contract. FPL's revised standard offer contract provides flexibility in the arrangement 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

10**PAA

Docket No. 20170248-EI – Petition for approval of fuel cost proxy substitution to qualifying facility contract between Duke Energy Florida, LLC and CFR/Biogen (n/k/a Orange Cogeneration Limited Partners), Ridge Generating Station Limited Partnership, Mulberry Energy Company, Inc. (n/k/a Polk Power Partners), and Orlando Cogen Limited, L.P.

Critical Date(s): Duke is requesting a Consummating Order be filed by April 2018 because they are retiring Crystal River 1 and 2, the Avoided Unit Fuel Reference Plant for the contracts being modified, on this date.

Commissioners Assigned: All Commissioners
Prehearing Officer: Administrative

Staff: ENG: Thompson, Ellis, King, Wright
ECO: Higgins
GCL: Cuello

Issue 1: Should the Commission approve Duke Energy Florida, LLC's petition for approval of the amendments to the negotiated contracts for purchase of firm capacity and energy between Ridge Generating Station Limited Partnership, Mulberry Energy Company, Inc. n/k/a Polk Power Partners, Orlando CoGen Limited, L.P., and CFR-Biogen Corp. n/k/a Orange Cogeneration Limited Partners?

Recommendation: Yes. Duke currently plans to retire CR 1 and 2 in April 2018, coal units comprising the avoided unit fuel reference plant as defined in the QF PPAs. The amendments to the QF PPAs seek to substitute the delivered price of coal burned at CR 1 and 2 with the Substitute Index, a fuel cost proxy expected to approximate the delivered price of coal to CR 1 and 2. The remaining total annual payments under the modified QF PPAs are expected to remain approximately equivalent to those estimated prior to modification.

The amendments to the QF PPAs do not modify any other part of the respective contracts. Thus, the core provisions of the QF PPAs, including total energy delivery amounts, contract duration, reliability, security, and risk allocation remain unchanged. Therefore, staff recommends that the Commission approve Duke's petition for approval of the amendments to the QF PPAs.

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

11**PAA

Docket No. 20170258-EQ – Petition for approval of a standard interconnection agreement for interconnected customer-owned battery subsystems, by Tampa Electric Company.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ENG: Thompson, Ellis, King

GCL: Murphy

Issue 1: Should the Commission approve Tampa Electric Company's petition for a standard interconnection agreement for interconnected customer-owned battery subsystems?

Recommendation: Yes. The Agreements require customers owning and renting battery subsystems to adhere to terms which ensure the safety of the Utility's personnel. Approval of this petition will not relieve the Utility of any requirements during a future rate case proceeding. Therefore, staff recommends that TECO's petition for approval of a standard interconnection agreement for interconnected customer-owned battery subsystems should be approved as filed.

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. 20180007-EI – Environmental cost recovery clause.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Clark

Staff: ENG: Mtenga

GCL: Murphy, Cuello

Issue 1: Should the Commission approve FPL’s petition for a mid-course revision to its 2018 ECRC factors and associated tariff sheets?

Recommendation: Yes. FPL’s petition for mid-course correction to its 2018 ECRC factors and associated tariff sheets reflect the results of the prior stipulation that was approved by the Commission. The revised factors and associated tariffs should become effective March 1, 2018.

Issue 2: Should this docket be closed?

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

ITEM NO.

CASE

13**PAA

Docket No. 20170155-WU – Application for grandfather water certificate in Leon County and application for pass through increase of regulatory assessment fees, by Seminole Waterworks, Inc.

Critical Date(s): 02/12/18 (90-Day Rule Waiver Statutory Deadline)

Commissioners Assigned: All Commissioners

Prehearing Officer: Brown

Staff: ENG: Watts

GCL: Janjic

Issue 1: Should the Commission approve Seminole Waterworks, Inc.’s request for waiver or variance of Rule 25-30.120, F.A.C.?

Recommendation: Yes, the Utility has demonstrated that the underlying purpose of the statute will be or has been achieved by other means, and that strict application of the rule would place a substantial hardship on the Utility. Therefore, staff recommends that the Commission approve Seminole Waterworks Inc.’s request for a waiver or variance of Rule 25-30.120, F.A.C., until such time as the Utility is authorized to increase its rates pursuant to Section 367.081(4)(b), F.S., or within three months of the Commission’s vote, whichever occurs first.

Issue 2: Should this docket be closed?

Recommendation: This docket should remain open pending the Commission’s final decision regarding the Utility’s Application for grandfather water certificate in Leon County and application for pass through increase of regulatory assessment fees. If no person whose substantial interests are affected by the proposed agency action for the rule waiver files a protest within 21 days of the issuance of the order, a consummating order should be issued.

ITEM NO.

CASE

14**PAA

Docket No. 20170199-EI – Petition for approval of conservation street and outdoor lighting conversion program, by Tampa Electric Company.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ENG: King, Ballinger

ECO: Morgan, Wu

GCL: Trierweiler

Issue 1: Should the Commission approve TECO’s proposed Conservation Street and Outdoor Lighting Conversion DSM program?

Recommendation: Yes. While the program is not a typical demand side management program, the conversion from Metal Halide and High-Pressure Sodium street and outdoor luminaires to energy efficient Light Emitting Diode luminaires advance the policy objectives of FEECA. As such, the proposed demand and annual energy savings from the proposed program should not count towards TECO’s DSM goals. The program is directly monitorable, yields measurable results, and is marginally cost-effective. Program participation standards were submitted concurrently with the program description. Staff has reviewed these standards and recommends that they are sufficient. Staff recommends costs associated with the program (estimated at \$176 per fixture or \$36,930,532, less any salvage proceeds, as of December 2017), except advertising and notification costs, be eligible for cost recovery through TECO’s Energy Conservation Cost Recovery factor.

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.

ITEM NO.

CASE

15**

Docket No. 20170198-EI – Petition to close to new business all existing lighting rates and approve new LED lighting rates and tariffs, by Tampa Electric Company.

Critical Date(s): 05/05/18 (8-Month Effective Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Guffey

GCL: Trierweiler

Issue 1: Should the Commission approve TECO's proposed lighting service tariff revisions?

Recommendation: Yes. The Commission should approve TECO's proposed lighting service tariff revisions effective February 6, 2018.

Issue 2: Should this docket be closed?

Recommendation: Yes. If Issue 1 is approved, the tariffs should become effective on February 6, 2018. If 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, the docket should be closed upon the issuance of a consummating order.

ITEM NO.

CASE

16**

Docket No. 20170255-WS – Request for approval of amendment to tariff to charge miscellaneous service charges and to collect customer deposits in Polk County, by Deer Creek RV Golf & Country Club, Inc.

Critical Date(s): 1/29/17 (60-Day Suspension Date Waived by the Utility to 2/6/17)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Friedrich, Hudson

GCL: Taylor

Issue 1: Should the miscellaneous service charges requested by Deer Creek RV Golf & Country Club, Inc. be approved?

Recommendation: Yes. The utility's requested miscellaneous service charges should be approved. The utility's requested miscellaneous service charges are identified in Table 1-5 of staff's memorandum dated January 25, 2018. 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 Deer Creek RV Golf & Country Club, Inc.'s request to implement a \$6.50 late payment charge be approved?

Recommendation: Yes. Deer Creek's request to implement a \$6.50 late payment charge should be approved. Deer Creek should be required to file a proposed customer notice to reflect the Commission-approved charge. The approved charge should be effective on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved charge should not be implemented until staff has approved the proposed customer notice. The utility should provide proof of the date notice was given no less than 10 days after the date of the notice.

Issue 3: Should the investigation of meter tampering charge requested by Deer Creek RV Golf & Country Club, Inc. be approved?

Recommendation: Yes. Deer Creek's request to implement a \$24 investigation of meter tampering charge should be approved. The charge should be effective for services rendered on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. In addition, the approved charge 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

16**

Docket No. 20170255-WS – Request for approval of amendment to tariff to charge miscellaneous service charges and to collect customer deposits in Polk County, by Deer Creek RV Golf & Country Club, Inc.

(Continued from previous page)

Issue 4: Should Deer Creek RV Golf & Country Club, Inc. be authorized to collect Non-Sufficient Funds (NSF) Charges?

Recommendation: Yes. Deer Creek should be authorized to collect NSF charges. Staff recommends that the utility revise its tariffs to reflect the NSF charges currently set forth in Sections 68.065 F.S. The NSF charges should be effective on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. Furthermore, the charges should not be implemented until staff has approved the proposed customer notice. The utility should provide proof of the date the notice was given within 10 days of the date of the notice.

Issue 5: Should the requested initial customer deposits for Deer Creek RV Golf & Country Club, Inc. be approved?

Recommendation: Yes. The appropriate initial customer deposits are \$16 for water and \$44 for wastewater service for the residential 5/8" x 3/4" meter size. The initial customer deposit for all other residential meter sizes and all general service meter sizes should be two times the average estimated bill. The approved customer deposits should be effective for connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. The utility should be required to collect the approved initial customer deposits until authorized to change them by the Commission in a subsequent proceeding.

Issue 6: Should this docket be closed?

Recommendation: 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. Once these actions are complete, this docket should be closed administratively.

ITEM NO.

CASE

17

Docket No. 20170141-SU – Application for increase in wastewater rates in Monroe County by K W Resort Utilities Corp.

Critical Date(s): 60-day statutory deadline extended until February 6, 2018.

Commissioners Assigned: Polmann, Clark

Prehearing Officer: Polmann

Staff: AFD: Norris, D. Andrews, Swards

ECO: Friedrich, Hudson

ENG: Graves, Knoblauch

GCL: Mapp, Crawford

(Decision on Suspension of Rates and Interim Rates - Participation is at the Discretion of the Commission.)

Issue 1: Should the Utility's proposed final wastewater rates and charges be suspended?

Recommendation: Yes. KWRU's proposed final wastewater rates and charges should be suspended.

Issue 2: Should interim rates be established using year-end rate base and cost of capital determinations?

Recommendation: Yes.

Issue 3: Should any interim revenue increase be approved?

Recommendation: Yes, the Utility should be authorized to collect annual wastewater revenues as indicated below.

	<u>Adjusted Test Year Revenues</u>	<u>\$ Increase</u>	<u>Revenue Requirement</u>	<u>% Increase</u>
Wastewater	\$2,340,275	\$85,629	\$2,425,904	3.66%

Issue 4: What are the appropriate interim wastewater rates for KWRU?

Recommendation: The service rates for KWRU should be increased by 3.78 percent to generate the recommended revenue increase for the interim period. The rates, as shown on Schedule No. 4 of staff's memorandum dated January 25, 2018, 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. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. In addition, the approved rates should not be implemented until the required security has been filed, staff has approved the proposed customer notice, and the notice has been received by the customers. The Utility should provide proof of noticing within 10 days of rendering its approved notice.

ITEM NO.

CASE

17

Docket No. 20170141-SU – Application for increase in wastewater rates in Monroe County by K W Resort Utilities Corp.

(Continued from previous page)

Issue 5: What is the appropriate security to guarantee the interim increase?

Recommendation: The Utility should be required to secure a letter of credit, or alternately an escrow account or surety bond, to guarantee any potential refund of revenues collected under interim conditions. If the security provided is a letter of credit or surety bond, it should be in the amount of \$78,925. Otherwise, the Utility should deposit 3.78 percent of service revenues collected into the escrow account each month. Pursuant to Rule 25-30.360(6), F.A.C., the Utility should provide a report by the 20th of each month indicating the monthly and total revenue collected subject to refund. Should a refund be required, the refund should be with interest and in accordance with Rule 25-30.360, F.A.C.

Issue 6: What is the appropriate amount and mechanism by which the Utility should recover over-refunded interest from the previous rate case, Docket No. 20150071-SU?

Recommendation: The over-refunded interest of \$9,625 should be recovered through a one-time surcharge for one billing cycle. The appropriate surcharges are shown on Schedule No. 4 of staff's memorandum dated January 25, 2018. The Utility should file a proposed customer notice to reflect the Commission-approved surcharge. In addition, the approved surcharge should not be implemented until staff has approved the 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 7: Should KWRU's request to implement interim Allowance for Funds Prudently Invested (AFPI) charges be approved, and if so, what are the appropriate charges?

Recommendation: No. Section 367.082, F.S., has historically applied to afford interim relief to service rates, and has not been applied to charges such as AFPI. KWRU's request to implement interim relief to its requested AFPI charge has not been adequately supported, and should be denied.

Issue 8: Should this docket be closed?

Recommendation: This docket should remain open pending the Commission's final action on the Utility's requested rate increase.