

FLORIDA PUBLIC SERVICE COMMISSION

COMMISSION CONFERENCE AGENDA

CONFERENCE DATE AND TIME: Tuesday, December 11, 2018, 9:30 a.m.

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

DATE ISSUED: November 30, 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).

Conference agendas, staff recommendations, vote sheets, and transcripts are available online at <http://www.floridapsc.com>, by selecting *Conferences & Meeting Agendas* and *Commission Conferences of the FPSC*. An official vote of "move staff" denotes that the Item's recommendations were approved.

In accordance with the Americans with Disabilities Act, persons needing a special accommodation to participate at this proceeding should contact the Office of Commission Clerk no later than five days prior to the conference at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850 or 850-413-6770 (Florida Relay Service, 1-800-955-8770 Voice or 1-800-955-8771 TDD). Assistive Listening Devices are available upon request from the Office of Commission Clerk, Gerald L. Gunter Building, Room 152.

The Commission Conference has a live video broadcast the day of the conference, which is available from the FPSC website. Upon completion of the conference, the archived video will be available from the website by selecting *Conferences & Meeting Agendas*, then *Audio and Video Event Coverage*.

EMERGENCY CANCELLATION OF CONFERENCE: If a named storm or other disaster requires cancellation of the Conference, Commission staff will attempt to give timely notice. Notice of cancellation will be provided on the Commission's website (<http://www.floridapsc.com>) under the Hot Topics link on the home page. Cancellation can also be confirmed by calling the Office of Commission Clerk at 850-413-6770.

If you have any questions, contact the Office of Commission Clerk at 850-413-6770 or Clerk@psc.state.fl.us.

Table of Contents
 Commission Conference Agenda
 December 11, 2018

1**	Consent Agenda	1
2**	Docket No. 20180141-WS – Proposed adoption of Rule 25-30.4575, F.A.C., Operating Ratio Methodology.	2
3	Docket No. 20180125-EU – Complaint against Gulf Power Company for expedited enforcement of territorial order, by Gulf Coast Electric Cooperative, Inc.	3
4**PAA	Docket No. 20180205-TX – Bankruptcy compliance cancellation by Florida Public Service Commission of CLEC Certificate No. 8244, issued to Trans National Communications International, Inc., effective December 31, 2018. Docket No. 20180206-TC – Bankruptcy compliance cancellation by Florida Public Service Commission of PATS Certificate No. 5995, issued to Florida Gaming Centers, Inc., effective December 31, 2018. Docket No. 20180207-TX – Bankruptcy compliance cancellation by Florida Public Service Commission of CLEC Certificate No. 4847, issued to OneStar Long Distance, Inc., effective December 31, 2018. Docket No. 20180208-TX – Bankruptcy compliance cancellation by Florida Public Service Commission of CLEC Certificate No. 8382, issued to Baldwin County Internet/DSSI Service, L.L.C., effective December 31, 2018. Docket No. 20180209-TX – Bankruptcy compliance cancellation by Florida Public Service Commission of CLEC Certificate No. 8748, issued to iNetworks Group, Inc., effective December 31, 2018.	4
5**	Docket No. 20180210-TP – Request for approval of amendment to interconnection, unbundling, resale, and collocation agreement between BellSouth Telecommunications, LLC d/b/a AT&T Florida d/b/a AT&T Southeast and EarthLink Business, LLC.	7
6	Docket No. 20180001-EI – Fuel and purchased power cost recovery clause with generating performance incentive factor.	8
7**PAA	Docket No. 20180155-EI – Petition for approval of regulatory assets related to the retirements of Lauderdale Units 4 and 5 and Martin Units 1 and 2, by Florida Power & Light Company.	10
8**	Docket No. 20180005-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.	11
9	Docket No. 20180007-EI – Environmental cost recovery clause.	12
10**PAA	Docket No. 20180066-WU – Application for transfer of facilities of Kincaid Hills Water Company and Water Certificate No. 555-W to Gator Waterworks, Inc. Docket No. 20170200-WU – Initiation of show cause proceedings against	

Table of Contents
 Commission Conference Agenda
 December 11, 2018

Kincaid Hills Water Company, in Alachua County, for noncompliance with Sections 350.113, 350.117, 367.121, and 367.145, Florida Statutes, and Rules 25-30.110, 25-30.120, 25-30.355, and 25-22.032, Florida Administrative Code..... 14

11** **Docket No. 20160165-SU** – Application for staff-assisted rate case in Gulf County by ESAD Enterprises, Inc. d/b/a Beaches Sewer Systems, Inc. 16

12** **Docket No. 20180160-EI** – Petition for 12-month extension of voluntary solar partnership rider and program, by Florida Power & Light Company..... 17

13** **Docket No. 20180182-EI** – Petition for approval of tariff modifications, by Tampa Electric Company..... 18

14** **Docket No. 20180183-GU** – Petition for approval of tariff modifications, by Peoples Gas System. 19

15**PAA **Docket No. 20180063-WS** – Application for limited proceeding rate increase in Polk County by Orchid Springs Development Corporation. 20

16** **Docket No. 20180219-SU** – Request for approval of amendment to tariff to charge a standby charge to customers significantly impacted by Hurricane Michael in Gulf County, by ESAD Enterprises, Inc. d/b/a Beaches Sewer System. 23

17** **Docket No. 20180048-EI** – Consideration of the tax impacts associated with Tax Cuts and Jobs Act of 2017 for Florida Public Utilities Company - Electric..... 24

18** **Docket No. 20180154-GU** – Petition for limited proceeding to consider the tax impacts associated with the Tax Cuts and Jobs Act of 2017 for Florida City Gas. 25

ITEM NO.

CASE

1**

Consent Agenda

A) Docket No. 20180192-GU – Application for authorization to issue common stock, preferred stock and secured and/or unsecured debt, and to enter into agreements for interest rate swap products, equity products and other financial derivatives, and to exceed limitation placed on short-term borrowings in 2019, by Chesapeake Utilities Corporation..

Chesapeake Utilities Corporation (Chesapeake or Utility) seeks authority to issue during calendar year 2019: up to 8,600,000 shares of Chesapeake common stock, up to 2,000,000 shares of Chesapeake preferred stock, up to \$650 million in secured and/or unsecured debt; to enter into agreements up to \$200 million in interest rate swap products, equity products and other financial derivatives; and to issue short-term obligations in an amount not to exceed \$350 million.

Chesapeake allocates funds to the Chesapeake Utilities Corporation - Florida Division, Florida Public Utilities Company (FPUC), FPUC - Indiantown Division, and FPUC - Fort Meade Division on an as-needed basis. Chesapeake acknowledges that in no event will such allocations to the Florida Divisions exceed 75 percent of the proposed equity securities (common stock and preferred stock), long-term debt, short-term debt, interest rate swap products, equity products, and financial derivatives issued by Chesapeake.

Pursuant to Section 366.04, Florida Statutes (F.S.), the Commission shall have jurisdiction to regulate and supervise each public utility in the issuance and sale of its securities, except a security which is a note or draft maturing not more than one year after the date of such issuance and sale and aggregating not more than five percent of the par value of the other securities of the public utility then outstanding.

The amount requested by Chesapeake exceeds its expected capital expenditures of \$216.4 million. The additional amount requested exceeding the projected capital expenditures allows for financial flexibility for the purposes enumerated in the Utility'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 Utility's petition to issue securities be approved.

Recommendation: For monitoring purposes, this docket should remain open until April 30, 2020, to allow the Utility time to file the required Consummation Report.

ITEM NO.

CASE

2**

Docket No. 20180141-WS – Proposed adoption of Rule 25-30.4575, F.A.C., Operating Ratio Methodology.

Rule Status: Proposed

Commissioners Assigned: All Commissioners

Prehearing Officer: Polmann

Staff: GCL: Harper
AFD: Galloway, Wilson
ECO: Guffey

(Proposal May Be Deferred)

Issue 1: Should the Commission propose the adoption of Rule 25-30.4575, F.A.C., Operating Ratio Methodology?

Recommendation: Yes, the Commission should propose the adoption of Rule 25-30.4575, F.A.C., as set forth in Attachment A of staff's memorandum dated November 29, 2018. The Commission should certify Rule 25-30.4575, 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 rule may be filed with the Department of State, and this docket should be closed.

ITEM NO.

CASE

3

Docket No. 20180125-EU – Complaint against Gulf Power Company for expedited enforcement of territorial order, by Gulf Coast Electric Cooperative, Inc.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Brown

Staff: GCL: Schrader, J. Crawford

ECO: Merryday

ENG: Ballinger, Graves

(Oral Argument Requested - Participation is at the Commission's Discretion)

Issue 1: Should GCEC's request for oral argument be granted?

Recommendation: Yes. GCEC's request for oral argument for its Motion for Summary Final Order should be granted and Gulf Power should also be permitted oral argument for its Motion for Summary Final Order. The parties should be allowed 5 minutes, in total, per side, for oral argument.

Issue 2: Should Gulf Power's Motion for Summary Final Order be granted?

Recommendation: Yes. Gulf Power's Motion for Summary Final Order should be granted.

Issue 3: Should GCEC's Motion for Summary Final Order be granted?

Recommendation: No. Staff recommends that GCEC's Motion for Summary Final Order should be denied as moot if the Commission grants Gulf Power's Motion for Summary Final Order in Issue 2. If the Commission does not grant Gulf Power's Motion, GCEC's Motion for Summary Final Order should be denied.

Issue 4: Should this docket be closed?

Recommendation: Yes. If the Commission grants Gulf Power's Motion for Summary Final Order, no further action is necessary in this docket; it should be closed upon issuance of a Final Order.

ITEM NO.

CASE

4**PAA

Docket No. 20180205-TX – Bankruptcy compliance cancellation by Florida Public Service Commission of CLEC Certificate No. 8244, issued to Trans National Communications International, Inc., effective December 31, 2018.

Docket No. 20180206-TC – Bankruptcy compliance cancellation by Florida Public Service Commission of PATS Certificate No. 5995, issued to Florida Gaming Centers, Inc., effective December 31, 2018.

Docket No. 20180207-TX – Bankruptcy compliance cancellation by Florida Public Service Commission of CLEC Certificate No. 4847, issued to OneStar Long Distance, Inc., effective December 31, 2018.

Docket No. 20180208-TX – Bankruptcy compliance cancellation by Florida Public Service Commission of CLEC Certificate No. 8382, issued to Baldwin County Internet/DSSI Service, L.L.C., effective December 31, 2018.

Docket No. 20180209-TX – Bankruptcy compliance cancellation by Florida Public Service Commission of CLEC Certificate No. 8748, issued to iNetworks Group, Inc., effective December 31, 2018.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: IDM: E. Wooten

ECO: McCoy

GCL: Dziechciarz

ITEM NO.

CASE

4**PAA

Docket No. 20180205-TX – Bankruptcy compliance cancellation by Florida Public Service Commission of CLEC Certificate No. 8244, issued to Trans National Communications International, Inc., effective December 31, 2018.

Docket No. 20180206-TC – Bankruptcy compliance cancellation by Florida Public Service Commission of PATS Certificate No. 5995, issued to Florida Gaming Centers, Inc., effective December 31, 2018.

Docket No. 20180207-TX – Bankruptcy compliance cancellation by Florida Public Service Commission of CLEC Certificate No. 4847, issued to OneStar Long Distance, Inc., effective December 31, 2018.

Docket No. 20180208-TX – Bankruptcy compliance cancellation by Florida Public Service Commission of CLEC Certificate No. 8382, issued to Baldwin County Internet/DSSI Service, L.L.C., effective December 31, 2018.

Docket No. 20180209-TX – Bankruptcy compliance cancellation by Florida Public Service Commission of CLEC Certificate No. 8748, issued to iNetworks Group, Inc., effective December 31, 2018.

(Continued from previous page)

Issue 1: Should the Commission, on its own motion, cancel Trans National Communications International, Inc.’s CLEC certificate and Florida Gaming Centers, Inc.’s PATS certificate and service schedules (if any) for failure to pay Regulatory Assessment Fees following discharge from Chapter 11 bankruptcy; change the companies’ status to “cancelled” in the Master Commission Directory effective December 31, 2018; direct the Division of Administrative and Information Technology Services (AIT) to write off any statutory late payment charges, penalties and interest instead of requesting collection services; and require the companies to immediately cease and desist providing telecommunications services in Florida?

Recommendation: Yes, the Commission, on its own motion, should cancel Trans National Communications International, Inc.’s CLEC certificate and Florida Gaming Centers, Inc.’s PATS certificate and service schedules (if any) for failure to pay Regulatory Assessment Fees following discharge from Chapter 11 bankruptcy. The Commission should change the companies’ status to “cancelled” in the Master Commission Directory, effective December 31, 2018; direct AIT to write off any statutory late payment charges, penalties and interest instead of requesting collection services; and require the companies to immediately cease and desist providing telecommunications services in Florida.

ITEM NO.

CASE

4**PAA

Docket No. 20180205-TX – Bankruptcy compliance cancellation by Florida Public Service Commission of CLEC Certificate No. 8244, issued to Trans National Communications International, Inc., effective December 31, 2018.

Docket No. 20180206-TC – Bankruptcy compliance cancellation by Florida Public Service Commission of PATS Certificate No. 5995, issued to Florida Gaming Centers, Inc., effective December 31, 2018.

Docket No. 20180207-TX – Bankruptcy compliance cancellation by Florida Public Service Commission of CLEC Certificate No. 4847, issued to OneStar Long Distance, Inc., effective December 31, 2018.

Docket No. 20180208-TX – Bankruptcy compliance cancellation by Florida Public Service Commission of CLEC Certificate No. 8382, issued to Baldwin County Internet/DSSI Service, L.L.C., effective December 31, 2018.

Docket No. 20180209-TX – Bankruptcy compliance cancellation by Florida Public Service Commission of CLEC Certificate No. 8748, issued to iNetworks Group, Inc., effective December 31, 2018.

(Continued from previous page)

Issue 2: Should the Commission, on its own motion, cancel OneStar Long Distance, Inc., Baldwin County Internet/DSSI Service, L.L.C., and iNetworks Group, Inc.’s CLEC certificates and service schedules (if any) because of the companies’ status as Chapter 7 bankruptcy liquidations; change the companies’ status to “cancelled” in the Master Commission Directory effective December 31, 2018; and require the companies to immediately cease and desist providing telecommunications services in Florida?

Recommendation: Yes, the Commission, on its own motion, should cancel OneStar Long Distance, Inc., Baldwin County Internet/DSSI Service, L.L.C., and iNetworks Group, Inc.’s CLEC certificates and service schedules (if any) because of the companies’ status as Chapter 7 bankruptcy liquidations; change the companies’ status to “cancelled” in the Master Commission Directory effective December 31, 2018; and require the companies to immediately cease and desist providing telecommunications services in Florida.

Issue 3: 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, these dockets should be closed upon the issuance of a consummating order. If a protest is filed in one docket, the protest should not prevent the action in a separate docket from becoming final. These dockets should then be closed upon issuance of a consummating order.

ITEM NO.

CASE

5**

Docket No. 20180210-TP – Request for approval of amendment to interconnection, unbundling, resale, and collocation agreement between BellSouth Telecommunications, LLC d/b/a AT&T Florida d/b/a AT&T Southeast and EarthLink Business, LLC.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: IDM: Eastmond, Bates

GCL: Weisenfeld

Issue 1: Should the Commission approve the November 7, 2018 amendment to the Interconnection Agreement between AT&T and EarthLink?

Recommendation: Yes. The Commission should approve the November 7, 2018 amendment between AT&T and EarthLink.

Issue 2: 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, this docket should be closed upon the issuance of a consummating order.

ITEM NO.

CASE

6

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

Critical Date(s): Decision must be rendered by 12/11/18 in order to implement new fuel factors with the first billing cycle in 2019.

Commissioners Assigned: All Commissioners

Prehearing Officer: Clark

Staff: AFD: Barrett

ECO: Draper, Guffey

ENG: O. Wooten

GCL: Brownless, Nieves

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

Issue 2M: What is the appropriate revised SoBRA factor for the 2017 projects to reflect actual construction costs that are less than the projected costs used to develop the initial SoBRA factor?

Recommendation: This issue is not ripe for consideration during the hearing cycle for 2018, and should be addressed in Docket No. 20190001-EI.

Issue 2N: What is the appropriate revised SoBRA factor for the 2018 projects to reflect actual construction costs that are less than the projected costs used to develop the initial SoBRA factor?

Recommendation: This issue is not ripe for consideration during the hearing cycle for 2018, and should be addressed in Docket No. 20190001-EI.

Issue 2P: Are the 2019 SoBRA projects (Miami-Dade, Interstate, Pioneer Trail, and Sunshine Gateway) proposed by FPL cost effective?

Recommendation: Yes. Based on the evidence contained in the record, FPL's proposed 2019 solar generation projects are projected to produce savings under multiple scenarios and therefore are cost effective. The 2019 solar generation projects have also met the terms of the 2016 Agreement in regards to keeping construction cost under the \$1,750 per kilowatt alternating current (kW_{ac}) cost cap.

Issue 2Q: What are the revenue requirements associated with the 2019 SoBRA projects?

Recommendation: The jurisdictional annualized revenue requirements associated with the 2019 SoBRA projects are \$51,685,454.

Issue 2R: What is the appropriate base rate percentage increase for the 2019 SoBRA projects to be effective when all 2019 projects are in service, currently projected to be March 1, 2019?

Recommendation: The appropriate base rate percentage increase (SoBRA Factor) for the 2019 SoBRA projects is 0.795 percent.

ITEM NO.

CASE

6

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

(Continued from previous page)

Issue 2S: Should the Commission approve revised tariffs for FPL reflecting the base rate percentage increase for the 2019 SoBRA projects determined to be appropriate in this proceeding?

Recommendation: Yes. The Commission should give staff administrative authority to approve the revised tariff sheets for FPL reflecting the base rate percentage increases for the 2019 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

7**PAA

Docket No. 20180155-EI – Petition for approval of regulatory assets related to the retirements of Lauderdale Units 4 and 5 and Martin Units 1 and 2, by Florida Power & Light Company.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Clark

Staff: AFD: M. Andrews, Perez, Mouring

ECO: Higgins, McNulty

ENG: Thompson, Ellis

GCL: Schrader, J. Crawford

Issue 1: Should the Commission approve FPL's request to create regulatory assets related to the retirement of Lauderdale Units 4 and 5 and Martin Units 1 and 2?

Recommendation: Yes, the Commission should approve FPL's request to create regulatory assets related to the retirement of Lauderdale Units 4 and 5 and Martin Units 1 and 2. The approval to record the regulatory assets for accounting purposes does not limit the Commission's ability to review the amounts and recovery period for reasonableness in future proceedings in which the regulatory assets are included for recovery.

Issue 2: Should the Commission allow FPL to defer recovery of the Lauderdale and Martin regulatory assets until FPL's base rates are next reset in a future rate proceeding?

Recommendation: No, the Commission should not approve FPL's request to defer recovery of the Lauderdale and Martin regulatory assets to a future general base rate proceeding. FPL should be required to begin amortizing the regulatory assets associated with Lauderdale Units 4 and 5 and Martin Units 1 and 2 upon retirement. The annual amortization amounts should be \$21.5 million for the Lauderdale Units and \$31.9 million for the Martin Units, for both base rate and clause recovery combined.

Issue 3: 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, this docket should be closed upon the issuance of a consummating order.

ITEM NO.

CASE

8**

Docket No. 20180005-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): 3/31/19 (Statutory Reestablishment Deadline)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: AFD: Bennett, Norris

GCL: J. Crawford, Davis

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 2019 price index by using a fiscal year, four quarter comparison of the Implicit Price Deflator Index ending with the third quarter of 2018.

Issue 2: What rates should be used by water and wastewater utilities for the 2019 Price Index?

Recommendation: The 2019 Price Index for water and wastewater utilities should be 2.36 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 Attachment 1 of staff's memorandum dated November 29, 2018. 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 29, 2018). The entire package should 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, 2019.

ITEM NO.

CASE

9

Docket No. 20180007-EI – Environmental cost recovery clause.

Critical Date(s): Decision must be rendered by 12/11/18 in order to implement new environmental factors with the first billing cycle in 2019.

Commissioners Assigned: All Commissioners

Prehearing Officer: Clark

Staff: ENG: Ellis

GCL: Murphy, Weisenfeld

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

Issue 1: What are the final environmental cost recovery true-up amounts for the period January 2017 through December 2017?

Recommendation: The final true-up amount for the period January 2017 through December 2017 for FPL is an over recovery of \$31,560,081. There should be no adjustment to this amount associated with the TPCCMP Project.

Issue 2: What are the estimated/actual environmental cost recovery true-up amounts for the period January 2018 through December 2018?

Recommendation: The actual/estimated true-up amount for the period January 2018 through December 2018 for FPL is an under-recovery of \$5,614,420. There should be no adjustment to this amount associated with the TPCCMP Project.

Issue 3: What are the projected environmental cost recovery amounts for the period January 2019 through December 2019?

Recommendation: The projected amount for the period January 2019 through December 2019 for FPL is a total of \$187,365,910, which includes projected expenditures associated with the TPCCMP Project.

Issue 4: What are the environmental cost recovery amounts, including true-up amounts, for the period January 2019 through December 2019?

Recommendation: The projected amount, including true-ups, for the period January 2019 through December 2019 for FPL is a total of \$161,536,472 to be recovered from ratepayers, which includes projected expenditures associated with the TPCCMP Project.

Issue 7: What are the appropriate environmental cost recovery factors for the period January 2019 through December 2019 for each rate group?

Recommendation: If the Commission approves staff's recommendation in Issue 4, staff recommends approval of FPL's factors as shown in FPL witness Deaton's Exhibit RBD-4. If the Commission denies staff's recommendation in Issue 4, FPL should file revised factors and associated tariffs implementing the Commission vote for administrative approval by staff.

ITEM NO.

CASE

9

Docket No. 20180007-EI – Environmental cost recovery clause.

(Continued from previous page)

Issue 10A: Should the Commission approve FPL’s Petition for Approval of Modification to Manatee Temporary Heating System Project and the recovery of the associated costs through the ECRC pursuant to Section 366.8255, F.S.?

Recommendation: Yes. The Commission should approve FPL’s petition and be allowed to recover costs associated with its proposed modification to the MTHS Project as it addresses an environmental requirement triggered after the Company’s last rate case. Reasonable costs associated with the project should be allowed to be recovered through the ECRC.

Issue 10B: Should the Commission approve FPL’s Petition for Approval of Modification to National Pollution Discharge Elimination System Permit Renewal Requirement Project and the recovery of the associated costs through the ECRC pursuant to Section 366.8255, F.S.?

Recommendation: No. The proposed modification to the NPDES Project does not meet the threshold requirement of being necessary to comply with environmental regulations as required by Section 366.8255, F.S. Therefore, the Commission should deny recovery of costs through the ECRC at this time.

ITEM NO.

CASE

10**PAA

Docket No. 20180066-WU – Application for transfer of facilities of Kincaid Hills Water Company and Water Certificate No. 555-W to Gator Waterworks, Inc.

Docket No. 20170200-WU – Initiation of show cause proceedings against Kincaid Hills Water Company, in Alachua County, for noncompliance with Sections 350.113, 350.117, 367.121, and 367.145, Florida Statutes, and Rules 25-30.110, 25-30.120, 25-30.355, and 25-22.032, Florida Administrative Code.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Polmann

Staff: ENG: O. Wooten, Ellis

AFD: D. Andrews, Fletcher, Norris

ECO: Bethea

GCL: J. Crawford, DuVal, Dziechciarz

(Proposed Agency Action for Issue 2)

Issue 1: Should the transfer of Certificate No. 555-W in Alachua County from Kincaid Hills Water Company to Gator Waterworks, Inc. be approved?

Recommendation: Yes. The transfer of the water system and Certificate No. 555-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, F.A.C. Gator Waterworks should be responsible for filing the 2018 Annual Report, all future annual reports, and RAFs subsequent to the date of closing.

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

Recommendation: The net book value of the water system for transfer purposes is \$63,321 as of February 23, 2018. An acquisition adjustment should not be included in rate base. Within 90 days of the date of the final order, Gator Waterworks 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 Gator Waterworks' 2018 Annual Report when filed.

Issue 3: Should the show cause proceeding against Kincaid Hills Water Company be dismissed, and Docket No. 20170200-WU, be closed?

Recommendation: Yes. If the Commission approves Gator Waterworks, Inc.'s transfer application, then the show cause proceeding against Kincaid Hills Water Company should be dismissed and Docket No. 20170200-WU should be closed.

ITEM NO.

CASE

10**PAA

Docket No. 20180066-WU – Application for transfer of facilities of Kincaid Hills Water Company and Water Certificate No. 555-W to Gator Waterworks, Inc.

Docket No. 20170200-WU – Initiation of show cause proceedings against Kincaid Hills Water Company, in Alachua County, for noncompliance with Sections 350.113, 350.117, 367.121, and 367.145, Florida Statutes, and Rules 25-30.110, 25-30.120, 25-30.355, and 25-22.032, Florida Administrative Code.

(Continued from previous page)

Issue 4: Should these dockets 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 issuance of the order, a consummating order should be issued and these dockets should be closed administratively upon Commission staff's verification that the revised tariff sheets have been filed, the Buyer has notified the Commission in writing that it has adjusted its books in accordance with the Commission's decision, and proof that appropriate noticing has been done pursuant to Rule 25-30.4345, F.A.C.

ITEM NO.

CASE

11**

Docket No. 20160165-SU – Application for staff-assisted rate case in Gulf County by ESAD Enterprises, Inc. d/b/a Beaches Sewer Systems, Inc.

Critical Date(s): Per Order No. PSC-2017-0383-PAA-SU, Beaches is required to file copies of the final invoices and cancelled checks for all Phase II pro forma O&M and plant items by December 27, 2018.

Commissioners Assigned: All Commissioners

Prehearing Officer: Polmann

Staff: ENG: Wright, Ellis

GCL: Murphy

Issue 1: Should the Commission approve Beaches' request for deadline extensions for both completion of its required Phase II pro forma O&M and plant items and for submission of copies of the final invoices and cancelled checks for all of these projects pursuant to Order No. PSC-2017-0383-PAA-SU?

Recommendation: Yes. The Commission should approve Beaches' request for deadline extension to December 26, 2018, for completion of its required Phase II pro forma O&M and plant items. The Commission should also approve Beaches' request for deadline extension to January 26, 2019, for submission of copies of the final invoices and cancelled checks for all of these projects.

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

12**

Docket No. 20180160-EI – Petition for 12-month extension of voluntary solar partnership rider and program, by Florida Power & Light Company.

Critical Date(s): 60-Day Suspension Date Waived until 12/11/2018

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Doherty

GCL: Nieves

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 to allow FPL to complete and evaluate its research regarding how the VSP program and the planned new shared solar program would impact one another. The revised tariff, as shown in Attachment A of staff's memorandum dated November 29, 2018, should be effective January 1 to December 31, 2019. Prior to the expiration of the VSP program (December 31, 2019), FPL should petition the Commission regarding the future 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

13**

Docket No. 20180182-EI – Petition for approval of tariff modifications, by Tampa Electric Company.

Critical Date(s): 60-day suspension date waived by the utility until 12/11/2018

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Merryday

GCL: Brownless

Issue 1: Should the Commission approve TECO's proposed tariff modification as shown in Attachment A of staff's memorandum dated November 29, 2018?

Recommendation: Yes, the Commission should approve TECO's proposed tariff modification as shown in Attachment A of staff's memorandum dated November 29, 2018. The proposed tariff modification is consistent with the tariff provision the Commission approved for FPL and is consistent with Rule 25-6.105, Florida Administrative Code (F.A.C.). The proposed tariff modification should become effective on December 11, 2018.

Issue 2: Should this docket be closed?

Recommendation: Yes. If Issue 1 is approved and a protest is filed within 21 days of the issuance of the order, the tariff should be suspended 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. 20180183-GU – Petition for approval of tariff modifications, by Peoples Gas System.

Critical Date(s): 60-day suspension date waived by the utility until 12/11/2018

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Merryday

GCL: Brownless

Issue 1: Should the Commission approve Peoples' proposed tariff modification as shown in Attachment A of staff's memorandum dated November 29, 2018?

Recommendation: Yes, the Commission should approve Peoples' proposed tariff modification as shown in Attachment A of staff's memorandum dated November 29, 2018. The proposed tariff modification is consistent with the tariff provision the Commission approved for FPL and is consistent with Rule 25-7.089, Florida Administrative Code (F.A.C.).

Issue 2: Should this docket be closed?

Recommendation: Yes. If Issue 1 is approved and a protest is filed within 21 days of the issuance of the order, the tariff should be suspended 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**PAA

Docket No. 20180063-WS – Application for limited proceeding rate increase in Polk County by Orchid Springs Development Corporation.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Polmann

Staff: ECO: Bethea, Hudson

AFD: Brown, Wilson

ENG: Graves, Lewis

GCL: Murphy, DuVal

(Proposed Agency Action - Except Issue Nos. 3 and 4)

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

Recommendation: The Commission should approve the utility's request for a limited proceeding rate increase as modified by staff. Orchid Springs should be allowed an annual increase of \$7,822 (8.35 percent) for water, resulting in an adjusted revenue requirement of \$101,489. For wastewater, the utility should be allowed an annual increase of \$23,837 (11.73 percent), resulting in an adjusted revenue requirement of \$227,066. The adjusted revenue requirements are reflected on Schedule Nos. 3-A and 3-B.

Issue 2: What are the appropriate water and wastewater rates for Orchid Springs?

Recommendation: Staff recommends that the rate increase of 8.35 percent for water and 11.73 percent for wastewater should be applied as an across-the-board increase monthly to service rates. The rates, as shown on Schedule Nos. 4-A and 4-B of staff's memorandum dated November 29, 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 staff has approved the proposed customer notice and the notice has been received by the customers. The utility should provide proof of the date that notice was given within 10 days of the date of the notice.

ITEM NO.

CASE

15**PAA

Docket No. 20180063-WS – Application for limited proceeding rate increase in Polk County by Orchid Springs Development Corporation.

(Continued from previous page)

Issue 3: 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 water and wastewater rates should be reduced as shown on Schedule Nos. 4-A and 4-B of staff's memorandum dated November 29, 2018, to remove rate case expense grossed-up for regulatory assessment fees (RAFs) and amortized over a four-year period. The decrease in rates should become effective immediately following the expiration of the four-year rate case expense recovery period, pursuant to Section 367.081(8), F.S. The utility should be required to file revised tariffs and a proposed customer notice setting forth the lower rates and the reason for the reduction no later than one month prior to the actual date of the required rate reduction. If Orchid Springs 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 Orchid Springs on a temporary basis, subject to refund, in the event of a protest filed by a substantially affected person or party?

Recommendation: Yes. The recommended rates should be approved for the utility on a temporary basis, subject to refund, in the event of a protest filed by a substantially affected person or party. The utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. In addition, the temporary rates should not be implemented until staff has approved the proposed notice, and the notice has been received by the customers. Prior to implementation of any temporary rates, the utility should provide appropriate security. If the recommended rates are approved on a temporary basis, the rates collected by the utility should be subject to the refund provisions discussed in the analysis portion of staff's memorandum dated November 29, 2018. 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

15**PAA

Docket No. 20180063-WS – Application for limited proceeding rate increase in Polk County by Orchid Springs Development Corporation.

(Continued from previous page)

Issue 5: 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

16**

Docket No. 20180219-SU – Request for approval of amendment to tariff to charge a standby charge to customers significantly impacted by Hurricane Michael in Gulf County, by ESAD Enterprises, Inc. d/b/a Beaches Sewer System.

Critical Date(s): 1/20/19 (60-Day Suspension Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Friedrich

GCL: Murphy, Crawford

Issue 1: Should the Commission approve Beaches' request to offer a standby charge of \$11.79 to customers whose homes incurred extensive damage due to Hurricane Michael and, therefore, cannot utilize wastewater service?

Recommendation: Yes. The utility's request to offer a standby charge of \$11.79 to customers whose homes incurred extensive damage due to Hurricane Michael and, therefore, cannot utilize wastewater service should be approved. The utility should file a tariff sheet and a proposed customer notice which encompasses the amount and purpose of the standby charge, the customer's right to discontinue service by providing written notice to the utility, and that the continuance of the standby charge will be reviewed by the Commission staff in January 2020 subsequent to the utility filing a report by January 1, 2020 detailing the number of customers still being billed the standby charge. Beaches should be required to provide notice to all customers. The approved charge should apply to affected customers on a temporary basis until all affected customers have either resumed wastewater service or disconnected from the system. The utility should provide proof of noticing within 10 days of rendering its approved notice.

Issue 2: Should this docket be closed?

Recommendation: No. If a protest is filed within 21 days of issuance of the Order, the standby charge approved herein should remain in effect with any charges held subject to refund pending resolution of the protest. If no timely protest is filed, a consummating order should be issued. This docket should remain open for the Commission to reevaluate the continuance of the standby charge in 2020.

ITEM NO.

CASE

17**

Docket No. 20180048-EI – Consideration of the tax impacts associated with Tax Cuts and Jobs Act of 2017 for Florida Public Utilities Company - Electric.

Critical Date(s): None

Commissioners Assigned: Graham, Brown, Clark

Prehearing Officer: Brown

Staff: AFD: Cicchetti, Barrett, D. Buys, Fletcher, Hightower, Mouring

ECO: Merryday

ENG: Ellis

GCL: Nieves, Schrader

Consideration and decision regarding the October 18, 2018 Tax Settlement Agreement as requested in the Joint Motion for Approval of 2018 Tax Settlement Agreement.

ITEM NO.

CASE

18**

Docket No. 20180154-GU – Petition for limited proceeding to consider the tax impacts associated with the Tax Cuts and Jobs Act of 2017 for Florida City Gas.

Critical Date(s): None

Commissioners Assigned: Graham, Brown, Clark

Prehearing Officer: Brown

Staff: AFD: Cicchetti, D. Buys, Fletcher, Hightower, Mouring

ECO: Guffey

ENG: Ellis

GCL: Davis, Nieves

Consideration and decision regarding the October 8, 2018 Stipulation and Settlement Agreement as requested in the Joint Motion for Approval of Stipulation and Settlement Agreement.