

FLORIDA PUBLIC SERVICE COMMISSION

COMMISSION CONFERENCE AGENDA

CONFERENCE DATE AND TIME: Tuesday, March 5, 2019, 9:30 a.m.

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

DATE ISSUED: February 21, 2019

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.

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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

20190032-TX

Hargray of Georgia, Inc.

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

ITEM NO.

CASE

2

Docket No. 20170086-SU – Investigation into the billing practices of K W Resort Utilities Corp. in Monroe County.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Brown

Staff: GCL: Schrader, J. Crawford, Nieves

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

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

Recommendation: Yes. KWRU's Request for Oral Argument should be granted. The parties should be allowed 5 minutes, total, per side, to argue all of the motions at issue in Issues 2 and 3.

Issue 2: Should the Commission grant KWRU's Motion to Dismiss or Strike?

Recommendation: No. The Commission should deny KWRU's Motion to Dismiss or Strike.

Issue 3: Should the Commission grant the Office of Public Counsel's Motion for Partial Summary Final Order or KWRU's Cross-Motion for Summary Final Order?

Recommendation: No, OPC's Motion for Partial Summary Final Order and KWRU's Motion for Summary Final Order should be denied.

Issue 4: Should this docket be closed?

Recommendation: If the Commission denies KWRU's Motion to Dismiss or Strike, and denies both parties' Motions for Summary Final Order, this docket should remain open to address OPC's and KWRU's respective requests for hearing on their protests of the PAA Order.

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, A. King

ECO: Merryday

ENG: Ballinger, Graves

(Participation at Commission's Discretion)

Issue 1: Should the Commission vacate three previous votes in this docket by which it granted Gulf Power's Motion for Summary Final Order, denied GCEC's Motion for Summary Final Order, and closed the docket?

Recommendation: Yes. The Commission should vacate its previous votes.

Issue 2: Should the Commission deny Gulf Power's Motion for Summary Final Order?

Recommendation: Yes. The Commission should deny Gulf Power's Motion for Summary Final Order.

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

Recommendation: Yes. The Commission should deny GCEC's Motion for Summary Final Order.

Issue 4: Should this docket be closed?

Recommendation: No. The docket should remain open.

ITEM NO.

CASE

4**

Docket No. 20190039-TP – Appointment of Margaret Lynn Duggar and Debbe Hagner to the Telecommunications Access System Act of 1991 (TASA) Advisory Committee.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Brown

Staff: IDM: Williams

GCL: Cowdery

Issue 1: Should the Commission approve the appointment of Margaret Lynn Duggar to the TASA advisory committee effective immediately?

Recommendation: Yes. Staff recommends that the Commission approve the appointment of Margaret Lynn Duggar to the TASA advisory committee effective immediately.

Issue 2: Should the Commission approve the appointment of Debbe Hagner to the TASA advisory committee effective immediately?

Recommendation: Yes. Staff recommends that the Commission approve the appointment of Debbe Hagner to the TASA advisory committee effective immediately.

Issue 3: Should this docket be closed?

Recommendation: Yes. The docket should be closed.

ITEM NO.

CASE

5

Docket No. 20180061-EI – Petition for limited proceeding to recover incremental storm restoration costs, by Florida Public Utilities Company.

Critical Date(s): 3/5/2019 - Commission vote. Petitioner extended its waiver of the "file and suspend" provisions of Chapter 366, Florida Statutes, through March 5, 2019.

Commissioners Assigned: All Commissioners

Prehearing Officer: Brown

Staff: AFD: M. Andrews, Mouring

ECO: Guffey

ENG: P. Buys, Graves

GCL: Dziechciarz, Weisenfeld

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

Issue 1: What is the appropriate baseline from which incremental costs are derived?

Recommendation: This issue has been rendered moot for this particular case by the stipulation of Issues 2, 5, and 6.

Issue 2: In undertaking storm-recovery activities, was the payroll expense Florida Public Utilities Company ("FPUC") has requested to include for storm recovery reasonable and prudent, in incurrence and amount? If not, what amount should be approved?

Stipulated Position: OPC does not object to FPUC's request to recover \$122,857 in incremental payroll costs. The amount identified by FPUC as "extra compensation" in the amount of \$69,632 remains in dispute and is the subject of Issue 3.

Issue 3: Is the "extra compensation" included as part of the Inclement Weather Exempt Employee Compensation submitted for recovery by FPUC an allowable cost under Rule 25-6.0143, Florida Administrative Code?

Recommendation: Yes, the "extra compensation" of \$69,632 submitted for recovery by FPUC is an allowable cost under Rule 25-6.0143, F.A.C.

Issue 4: Stricken by Order No. PSC-2018-0404-PCO-EI.

Issue 5: In undertaking storm-recovery activities, were the benefit costs requested by FPUC for storm recovery reasonable and prudent, in incurrence and amount? If not, what amount should be approved?

Stipulated Position: OPC does not object to FPUC's request to recover benefit costs in the amount of \$38,424.

Issue 6: In undertaking storm-recovery activities, were the overhead costs requested by FPUC for storm recovery reasonable and prudent, in incurrence and amount? If not, what amount should be approved?

Stipulated Position: OPC does not object to FPUC's request to recover overhead costs in the amount of \$22,856.

ITEM NO.

CASE

5

Docket No. 20180061-EI – Petition for limited proceeding to recover incremental storm restoration costs, by Florida Public Utilities Company.

(Continued from previous page)

Issue 8: In connection with the restoration of service associated with electric power outages affecting customers as a result of Hurricanes Matthew and Irma, were the contractor costs associated with standby time, mobilization time, and demobilization time paid by FPUC for storm-recovery activities reasonable and prudent, in incurrence and amount? If not, what amount should be approved?

Recommendation: The contractor costs associated with standby time, mobilization time, and demobilization time are reasonable and were prudently incurred. Therefore, no adjustment should be made to contractor time.

Issue 9: In undertaking storm-recovery activities associated with Hurricanes Matthew and Irma, were the contractor costs FPUC has included for storm recovery reasonable and prudent, in incurrence and amount? If not, what amount should be approved?

Recommendation: The original contractor costs of \$2,148,743 should be reduced by \$170,452. The remaining contractor costs of \$1,978,291 are reasonable and were prudently incurred by FPUC and these costs should be approved for recovery.

Issue 10: Stricken by Order No. PSC-2018-0404-PCO-EI.

Issue 11: In connection with the restoration of service associated with storm-related electric power outages affecting customers, were the line clearing costs FPUC included for storm recovery reasonable and prudent, in incurrence and amount? If not, what amount should be approved?

Recommendation: The original line clearing costs of \$261,431 should be reduced by \$163,707. The remaining line clearing costs of \$97,724 are reasonable and were prudently incurred by FPUC and should be approved for recovery.

Issue 12: In connection with the restoration of service associated with storm-related electric power outages affecting customers, were the vehicle and fuel costs FPUC included for storm reasonable and prudent, in incurrence and amount? If not, what amount should be approved?

Recommendation: The vehicle and fuel costs of \$34,231 are reasonable and were prudently incurred by FPUC and should be approved for recovery.

Issue 13: In connection with restoration of service associated with storm-related electric power outages affecting customers, were the material and supply costs FPUC included for storm recovery reasonable and prudent, in incurrence and amount? If not, what amount should be approved?

Recommendation: The original material and supply costs of \$56,495 should be increased by \$32,800. The total amount of \$89,295 for material and supply costs are reasonable and were prudently incurred by FPUC and should be approved for recovery.

ITEM NO.

CASE

5

Docket No. 20180061-EI – Petition for limited proceeding to recover incremental storm restoration costs, by Florida Public Utilities Company.

(Continued from previous page)

Issue 14: In connection with the restoration of service associated with storm-related electric power outages affecting customers, were the logistic costs FPUC included for storm recovery reasonable and prudent, in incurrence and amount? If not, what amount should be approved?

Recommendation: The original requested logistic costs of \$245,705 should be reduced by \$4,155 due to the lack of evidence in the record. The remaining logistic costs of \$241,550 are reasonable and were prudently incurred by FPUC, and should be approved for recovery.

Issue 15: In connection with the restoration of service associated with storm-related electric power outages affecting customers, were the costs identified by FPUC as “Normal Expenses Not Recovered in Base Rates” and included as “other operating expenses” reasonable and prudent, in incurrence and amount? If not, what amount should be made?

Recommendation: No, the costs identified by FPUC as “Normal Expenses Not Recovered in Base Rates” in the amount of \$67,548 are not reasonable and prudent for storm surcharge recovery and should be disallowed.

Issue 16: What is the correct amount to be included in storm recovery to replenish the level of FPUC’s storm reserve?

Recommendation: The appropriate amount of storm recovery to replenish the level of FPUC’s storm reserve to \$1.5 million is \$1,927,648.

Issue 17: What is the total amount of storm-related costs and storm reserve replenishment FPUC is entitled to recover?

Recommendation: The appropriate amount to recover prudently incurred storm restoration costs of \$427,648 and to replenish the level of FPUC’s storm reserve to \$1.5 million is \$1,927,648.

Issue 18: Should the Commission approve Florida Public Utilities Company’s proposed tariff and associated charge?

Recommendation: No. If the Commission approves Issue 17, the Commission should give staff administrative authority to approve the revised tariff and associated storm recovery surcharge that implement the Commission vote regarding FPUC’s storm-related costs and storm reserve replenishment. FPUC should file the revised tariff and associated charge within seven days of the Commission’s vote. The storm recovery surcharge should be effective with the first billing cycle for April 2019 through the last billing cycle for March 2021 (two-year recovery period).

ITEM NO.

CASE

5

Docket No. 20180061-EI – Petition for limited proceeding to recover incremental storm restoration costs, by Florida Public Utilities Company.

(Continued from previous page)

Issue 19: If applicable, how should any under-recovery or over-recovery be handled?

Recommendation: At the end of the storm restoration surcharge period, the actual amount recovered through the surcharge should be compared to the appropriate amount approved by the Commission, and a determination made whether any under/over recovery has occurred. The disposition of any over/under recovery, and associated interest, should be considered by the Commission at a later date.

Issue 20: Should the docket be closed?

Recommendation: No, this docket should remain open until a determination has been made at the end of the storm restoration surcharge period regarding whether any under/over recovery has occurred. The disposition of any under/over recovery should be considered by the Commission, and the docket closure should be determined at that time.

ITEM NO.

CASE

6**

Docket No. 20190001-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

ECO: Guffey

GCL: Brownless, Nieves

Issue 1: Should the Commission approve TECO's Mid-Course Petition to adjust its fuel and capacity cost recovery factors and the associated tariff sheets?

Recommendation: Yes. A mid-course adjustment is appropriate and staff recommends the Commission approve TECO's Mid-Course Petition and the associated tariff sheets, effective with the first billing cycle of April 2019.

The revised fuel and capacity cost recovery factors are presented in Attachment A and the associated tariff sheets are presented in Attachment D of staff's memorandum dated February 21, 2019.

Issue 2: Should this docket be closed?

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

ITEM NO.

CASE

7**PAA

Docket No. 20180073-EQ – Petition for approval of amended standard offer contract (Schedule COG-2) based on a combustion turbine avoided unit, by Duke Energy Florida, LLC.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ENG: Wooten, Ellis, Wright

GCL: Murphy

Issue 1: Should the Commission approve Duke Energy Florida, LLC's petition to adjust the delivery voltage adjustment factors found on Sheet 9.458 of its standard offer contract?

Recommendation: Yes. FERC's approval of DEF's settlement agreement necessitates modification of two of the three delivery voltage adjustment factors found on Sheet 9.458 of DEF's standard offer contract. The revised Sheet 9.458 provided by DEF reflects the necessary adjustments and should be approved by the Commission.

Issue 2: Should this docket be closed?

Recommendation: Yes. This docket should be closed upon issuance of a consummating order, unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the Commission's Proposed Agency Action Order. Potential signatories should be aware that, if a timely protest is filed, DEF's standard offer contract may subsequently be revised.

ITEM NO.

CASE

8**

Docket No. 20190023-EI – Petition for approval of modifications to rate schedule LS-1, lighting service, by Duke Energy Florida, LLC.

Critical Date(s): 03/18/19 (60-Day Suspension Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Guffey

GCL: Simmons

Issue 1: Should the Commission approve DEF's proposed modifications to its LS-1 rate schedule as shown in Attachment 1 of staff's memorandum dated February 21, 2019?

Recommendation: Yes. The Commission should approve DEF's proposed modifications to its LS-1 rate schedule as shown in Attachment 1 of staff's memorandum dated February 21, 2019. The proposed new LED fixture and pole options are cost based and expand the fixture and pole options available to customers. Closing the current metal halide and sodium vapor options for new installations allows DEF to recognize energy efficiencies and technological improvements in the lighting industry. The revised tariffs should become effective on March 5, 2019.

Issue 2: Should this docket be closed?

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

ITEM NO.

CASE

9**

Docket No. 20190024-EI – Petition for approval of a smart meter opt-out tariff, by Tampa Electric Company.

Critical Date(s): 03/18/19 (60-day Suspension Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Merryday

GCL: Nieves

Issue 1: Should the Commission approve TECO's proposed opt-out tariff?

Recommendation: Yes, the Commission should approve TECO's proposed opt-out tariff as shown in Attachment A of staff's memorandum dated February 21, 2019. This tariff allows TECO to respond to customer requests for a non-communicating meter. Opt-out customers will be responsible for all costs associated with their request, thus protecting the general body of ratepayers. Additionally, the proposed opt-out tariff is in accordance with previous Commission decisions.

The tariff should become effective when TECO completes the billing system changes to implement the tariff, which is expected to be in the third quarter of 2019. TECO should notify Commission staff when the billing system changes are completed. Within three months after the AMI smart meter deployment is completed, TECO should report to the Commission (with a filing in this docket) on the costs of the program, revenues, and actual participation.

Issue 2: Should this docket be closed?

Recommendation: If a protest is filed within 21 days of the issuance of the order, this tariff should remain in effect with any increase held subject to refund pending resolution of the protest. If no timely protest is filed, this docket should be closed upon issuance of a consummating order.