

FLORIDA PUBLIC SERVICE COMMISSION

COMMISSION CONFERENCE AGENDA

CONFERENCE DATE AND TIME: Tuesday, June 11, 2019, 9:30 a.m.

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

DATE ISSUED: May 30, 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.

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.

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ITEM NO.

CASE

1**PAA

Docket No. 20190057-TP – Commission approval of Florida Telecommunications Relay, Inc.'s fiscal year 2019/2020 proposed budget.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Polmann

Staff: IDM: Williams

GCL: Murphy

Issue 1: Should the Commission approve Florida Telecommunications Relay, Inc.'s (FTRI) proposed budget as presented in Attachment A of staff's memorandum dated May 30, 2019, for Fiscal Year 2019/2020, effective August 1, 2019, and should the Commission maintain the current Telecommunications Relay Service (TRS) surcharge at \$0.10 per month?

Recommendation: Staff recommends that the Commission reduce FTRI's proposed budget expenses for Fiscal Year 2019/2020 by \$2,300 for Voice Carry-Over/Hearing Carry-Over-Telecommunications Device for the Deaf (VCO/HCO-TDD) Equipment, \$2,592 for Audio Ringer (ARS) Equipment, and \$4,767 for Video Relay Service (VRS) Equipment. Staff also recommends that the Commission allow FTRI to transfer \$285,714 from the Reserve Account to offset a projected revenue shortfall. Staff recommends that the Commission order all local exchange companies to continue billing the \$0.10 surcharge for Fiscal Year 2019/2020.

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

2**

Docket No. 20180143-EI – Petition to initiate rulemaking to revise and amend portions of Rule 25-6.0426, F.A.C., Recovery of Economic Development Expenses, by Florida Power & Light Company, Gulf Power Company, and Tampa Electric Company.

Rule Status: Proposed

Commissioners Assigned: All Commissioners

Prehearing Officer: Fay

Staff: GCL: Davis, Cibula

ECO: Draper, Merryday, Guffey

(Proposal May Be Deferred)

Issue 1: Should the Commission propose the amendment of Rule 25-6.0426, F.A.C., Recovery of Economic Development Expenses?

Recommendation: Yes, the Commission should propose the amendment of Rule 25-6.0426, F.A.C., as set forth in Attachment A of staff's memorandum dated May 30, 2019. The Commission should certify Rule 25-6.0426, 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. 20190074-PU – Proposed repeal of Rule 25-4.0051, F.A.C., Current Certificate Holder Information and Rule 25-4.520, F.A.C., Reporting Requirements, and proposed adoption of Rule 25-22.108, F.A.C., Change of Regulated Utility Contact Information.

Rule Status: Proposed

Commissioners Assigned: All Commissioners

Prehearing Officer: Polmann

Staff: GCL: Harper
ECO: Guffey
IDM: Wooten

(Proposal May Be Deferred)

Issue 1: Should the Commission repeal Rules 25-4.005, F.A.C., Current Certificate Holder Information and Rule 25-4.520, F.A.C., Reporting Requirements, and adopt new Rule 25-22.108, F.A.C., Change of Regulated Utility Contact Information?

Recommendation: Yes, the Commission should repeal Rules 25-4.0051 and 25-4.520, F.A.C., and adopt new Rule 25-22.108, F.A.C., as set forth in Attachment A of staff's memorandum dated May 30, 2019. The Commission should certify Rule 25-22.108, 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 may be filed with the Department of State, and this docket should be closed.

ITEM NO.

CASE

4**

Docket No. 20190110-EI – Petition for limited proceeding for recovery of incremental storm restoration costs related to Hurricane Michael and approval of second implementation stipulation, by Duke Energy Florida, LLC.

Critical Date(s): 06/28/19 (Requested Implementation Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Fay

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

ECO: Draper, Galloway, Guffey

ENG: P. Buys, Thompson

GCL: Dziechciarz, Weisenfeld

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.

Issue 2: Should the Commission approve DEF's proposed Hurricane Michael interim storm cost recovery surcharges?

Recommendation: Yes. The Commission should approve DEF's Hurricane Michael interim storm cost recovery surcharges as proposed in the petition effective with the first billing cycle of July 2019, subject to a final true-up.

Issue 3: What is the appropriate security to guarantee the amount collected subject to refund through the interim storm restoration recovery charge?

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

Issue 4: Should this docket be closed?

Recommendation: No, this docket should remain open pending final reconciliation of actual recoverable Hurricane Michael 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

5**PAA

Docket No. 20190006-WS – Water and wastewater industry annual reestablishment of authorized range of return on common equity for water and wastewater utilities pursuant to Section 367.081(4)(f), F.S.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Clark

Staff: AFD: D. Buys, Cicchetti, Hightower

GCL: Trierweiler

Issue 1: What is the appropriate range of returns on common equity for water and wastewater utilities pursuant to Section 367.081(4)(f), Florida Statutes?

Recommendation: The leverage formula methodology approved in Order No. PSC-2018-0327-PAA-WS using a proxy group comprised of natural gas and WAW utilities and updated financial data should be used. Accordingly, the following leverage formula should be used until the leverage formula is addressed again in 2020:

$ROE = 6.05 + (1.80 \div \text{Equity Ratio})$

Where the Equity Ratio = $\text{Common Equity} \div (\text{Common Equity} + \text{Preferred Equity} + \text{Long-Term and Short-Term Debt})$

Range: 7.85% at 100% equity to 10.55% at 40% equity

The Commission should cap returns on common equity at 10.55 percent for all WAW utilities with equity ratios less than 40 percent. Imposing a cap serves to discourage imprudent financial risk. This cap is consistent with the methodology in Order No. PSC-2018-0327-PAA-WS.

Issue 2: Should this docket be closed?

Recommendation: No. Upon expiration of the protest period, if a timely protest is not received from a substantially affected person, the decision should become final and effective upon the issuance of a Consummating Order. However, this docket should remain open to allow staff to monitor changes in capital market conditions and to readdress the reasonableness of the leverage formula as conditions warrant.

ITEM NO.

CASE

6**PAA

Docket No. 20190082-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, Doehling, Ellis

GCL: DuVal

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

Recommendation: Yes. The provisions of FPL's revised renewable energy tariff and standard offer contract conform to all requirements of Rules 25-17.200 through 25-17.310, F.A.C. FPL's revised standard offer contract provides flexibility in the arrangements for payments so that a developer of renewable generation may select the payment stream best suited to its financial needs. Staff recommends that FPL's revised renewable energy tariff and standard offer contract be approved as filed.

Issue 2: Should this docket be closed?

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

ITEM NO.

CASE

7**PAA

Docket No. 20170183-EI – Application for limited proceeding to approve 2017 second revised and restated settlement agreement, including certain rate adjustments, by Duke Energy Florida, LLC.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Brown

Staff: ECO: McNulty, Redda

AFD: Mouring

GCL: DuVal

Issue 1: Should the Commission approve DEF’s Motion to Approve Reallocation of Electric Vehicle Charging Station Pilot Segments?

Recommendation: Yes, staff recommends the Commission approve DEF’s proposed reallocation of EVSE pilot segments. In the event DEF has fewer than 210 Multi-unit EVSE subscriptions by December 31, 2019, DEF should be required to supplement its 2019 annual data report to the Commission regarding its Electric Vehicle Charging Station Pilot Program to include any further reallocation of unsubscribed Multi-unit EVSE to other segments. Staff recommends DEF’s filing of its 2019 annual data report may be delayed, as necessary, until January 31, 2020 for this purpose.

Issue 2: Should this docket be closed?

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