

FLORIDA PUBLIC SERVICE COMMISSION

ADDENDUM*

COMMISSION CONFERENCE AGENDA

CONFERENCE DATE AND TIME: Tuesday, March 31, 2020, 9:30 a.m.

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

DATE ISSUED: March 24, 2020

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.

Because the Commission is operating under a state of emergency due to COVID-19, all public participation must be telephonic or by written comment. To participate informally, affected persons must either: (1) request the opportunity to address the Commission telephonically on an item listed on the agenda by contacting the Office of General Counsel at (850) 413-6199 by noon on March 30, 2020; or (2) file any written comments for a particular item in the applicable Docket file by noon on March 30, 2020.

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*.

***Added Item 15A.**

EMERGENCY CANCELLATION OF CONFERENCE: If a named storm or some other state of emergency 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**

Consent Agenda

PAA

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

DOCKET NO.

COMPANY NAME

20200032-TX

Simwood Inc.

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

ITEM NO.

CASE

2**

Docket No. 20200063-EI – Proposed repeal of Rule 25-6.0342, F.A.C., Electric Infrastructure Storm Hardening.

Rule Status: Proposed

Commissioners Assigned: All Commissioners

Prehearing Officer: Polmann

Staff: GCL: Harper

ECO: Guffey

ENG: P. Buys

(Proposal May Be Deferred)

Issue 1: Should the Commission propose the repeal of Rule 25-6.0342, F.A.C., Electric Infrastructure Storm Hardening?

Recommendation: Yes, the Commission should propose the repeal of Rule 25-6.0342, F.A.C., as set forth in Attachment A of staff's memorandum dated March 19, 2020. The Commission should certify Rule 25-6.0342, F.A.C., as a minor violation rule. Once Rule 25-6.0342, F.A.C., is repealed, it should be removed from the list of minor violation rules.

Issue 2: Should this docket be closed?

Recommendation: Yes. If no requests for hearing, information regarding the SERC, proposals for a lower cost regulatory alternative, or JAPC comments are filed, the rule should be filed with the Department of State, and the docket should be closed.

ITEM NO.

CASE

3**

Docket No. 20200044-WS – Proposed amendment of Rule 25-30.457, F.A.C., Limited Alternative Rate Increase.

Rule Status: Proposed

Commissioners Assigned: All Commissioners

Prehearing Officer: Brown

Staff: GCL: Cowdery

AFD: T. Brown, Norris

ECO: Guffey

(Proposal May Be Deferred)

Issue 1: Should the Commission propose the amendment of Rule 25-30.457, F.A.C., Limited Alternative Rate Increase?

Recommendation: Yes, the Commission should propose the amendment of Rule 25-30.457, F.A.C., as set forth in Attachment A of staff's memorandum dated March 19, 2020. The Commission should also certify Rule 25-30.457, F.A.C., as a minor violation rule.

Issue 2: Should this docket be closed?

Recommendation: Yes. If no requests for hearing, information regarding the SERC, proposals for a lower cost regulatory alternative, or JAPC comments are filed, the rule should be filed with the Department of State, and the docket should be closed.

ITEM NO.

CASE

4**PAA

Docket No. 20200011-EI – Petition for approval of waiver of CIAC Rule No. 25-6.064, F.A.C. for new line extensions serving electric vehicle fast charging stations, by Tampa Electric Company.

Critical Date(s): 05/06/20 (The Commission must vote to grant or deny the petition by this date.)

Commissioners Assigned: All Commissioners

Prehearing Officer: Graham

Staff: GCL: Cibula

ECO: McNulty, Smith II

Issue 1: Should the Commission grant TECO's petition for a temporary waiver of or variance from Rule 25-6.064(2)(c), F.A.C., and approve TECO's Fourth Revised Tariff Sheet No. 5.105?

Recommendation: Yes, the petition for temporary rule waiver/variance should be granted subject to the condition that TECO file annual reports during the 5-year rule waiver/variance period, with the first report due on March 1, 2021. Each annual report should include the following information for the preceding calendar year:

- For each EV fast charger line extension installed during the reporting period, the number of EV fast chargers served, the total line extension cost, the CIAC collected, the total annual revenue collected (demand and energy), the line extension usage metrics (demand and energy), and the balance of any related cross subsidy (total cost less CIAC collected less total energy/demand revenue collected to date);
- System-wide Totals (summed for all years since the time the temporary rule waiver/variance was granted) for each of the following: EV fast charger line extensions installed, the number of EV fast chargers served, EV fast charger line extension costs, CIAC collected, total annual revenue collected (demand and energy), line extension usage metrics (demand and energy), and the balance of any related cross subsidy (total cost less CIAC collected less total energy/demand revenue collected to date); and
- Projected annual growth for the next five years in TECO's service territory of EVs, EV fast chargers, and EV fast charger line extensions.

ITEM NO.

CASE

4**PAA

Docket No. 20200011-EI – Petition for approval of waiver of CIAC Rule No. 25-6.064, F.A.C. for new line extensions serving electric vehicle fast charging stations, by Tampa Electric Company.

(Continued from previous page)

In addition, the Commission should approve TECO's Fourth Revised Tariff Sheet No. 5.105, which reflects the temporary rule waiver/variance. The effective date of the revised tariff sheet should be the date of the consummating order. Before the expiration of the 5-year rule waiver/variance period, TECO should be required to file a revised tariff sheet reflecting the removal of the temporary rule waiver/variance, which staff should be given administrative authority to approve.

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, a consummating order should be issued. TECO's Fourth Revised Sheet No. 5.105 should become effective upon issuance of the consummating order. The docket should remain open for the annual reports. The docket should be administratively closed when TECO's revised tariff sheet reflecting the removal of the temporary rule waiver/variance is administratively approved by staff after the 5-year waiver/variance period expires.

ITEM NO.

CASE

5**PAA

Docket No. 20190216-EI – Complaint by Belkys Armenteros against Florida Power & Light Company regarding backbilling for alleged meter tampering.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Graham

Staff: GCL: Lherisson

CAO: Hicks, Plescow

ECO: Coston

Issue 1: What is the appropriate disposition of Ms. Armenteros’s formal complaint?

Recommendation: Staff recommends that Ms. Armenteros’s formal complaint be denied. Ms. Armenteros’s account was properly back billed in accordance with Florida statutes and rules and FPL’s tariffs. FPL did not violate any applicable statute, rule, company tariff, or order of the Commission in the processing of Ms. Armenteros’s account.

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**PAA

Docket No. 20190196-TP – Petition of North American Numbering Plan Administrator on behalf of the Florida telecommunications industry, for approval of consensus decision to recommend to the Commission an all-services overlay as the form of relief for the 813 numbering plan area.

Critical Date(s): The estimated exhaust date for the 813 area code is the third quarter of 2022.

Commissioners Assigned: All Commissioners

Prehearing Officer: Polmann

Staff: IDM: Deas, Fogleman

GCL: Weisenfeld, Passidomo

Issue 1: Should the Commission approve the Industry’s consensus recommendation of an all-services distributed overlay as the area code relief plan for the 813 area code?

Recommendation: Yes, the Commission should approve the Industry’s consensus recommendation of an all-services distributed overlay as the area code relief plan for the 813 area code.

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 Proposed Agency Action Order, this docket should be administratively closed upon the issuance of a Consummating Order.

ITEM NO.

CASE

7**PAA

Docket No. 20180213-TL – Complaint by the Florida Inland Navigation District against BellSouth Telecommunications, LLC d/b/a AT&T Florida d/b/a AT&T Southeast for failure to relocate utility line.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: IDM: Wendel, Fogleman

GCL: Murphy

Issue 1: Should the Commission require AT&T to relocate its subaqueous utility lines, beneath the Intracoastal Waterway in Broward County, in a timely and effective manner?

Recommendation: No. The Commission does not have jurisdictional authority to require AT&T to relocate its subaqueous utility lines, beneath the Intracoastal Waterway in Broward County, in a timely and effective manner.

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 Proposed Agency Action Order, this docket should be closed upon the issuance of a Consummating Order.

ITEM NO.

CASE

8**PAA

Docket No. 20180049-EI – Evaluation of storm restoration costs for Florida Power & Light Company related to Hurricane Irma.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Brown

Staff: AFD: Mouring, Higgins, Fletcher

ECO: Wu

ENG: P. Buys, Doehling, Ellis, Thompson

GCL: Brownless

On February 25, 2020, OPC and FPL filed a Joint Motion to Approve the Hurricane Irma Settlement Implementation Agreement (Implementation Agreement). The Implementation Agreement is attached as Attachment A of staff's memorandum dated March 19, 2020. If approved, the Implementation Agreement will only impact the timing of the one-time audit provision described in paragraph 18 of the Storm Settlement. The proposed Hurricane Irma Settlement Implementation Agreement would delay the one-time audit until FPL's smart phone application for tracking restoration crews' time and expenses is actually deployed during a hurricane restoration. If approved by the Commission, this Implementation Agreement will take effect upon Commission approval.

The Commission should vote on whether or not to grant the Joint Motion to Approve the Hurricane Irma Settlement Implementation Agreement.

ITEM NO.

CASE

9**PAA

Docket No. 20190109-GU – Petition for recovery of costs associated with Hurricane Michael and replenishment of storm reserve, by Peoples Gas System.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Clark

Staff: AFD: Snyder, M. Andrews, D. Buys, Mouring, Sowards

ENG: P. Buys, King, Knoblauch, Lewis

GCL: Trierweiler, Crawford, Schrader

On February 12, 2020, Peoples and OPC (The Parties) filed a Joint Petition for Approval of Stipulation and Storm Cost Settlement Agreement (Settlement Agreement). The Settlement Agreement is attached as Attachment A of staff's memorandum dated March 19, 2020. The Settlement Agreement includes adjustments to the recoverable storm amount and future process improvements for cost effective and timely storm damage recovery and service restoration.

The Commission should vote on whether or not to grant the Joint Motion for Approval of Stipulation and Storm Cost Settlement Agreement.

ITEM NO.

CASE

10

Docket No. 20200039-GU – Petition for approval to implement a temporary storm cost recovery surcharge, by St. Joe Natural Gas Company.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Graham

Staff: AFD: M. Andrews, D. Buys, Cicchetti, Fletcher, Mouring, Richards

ECO: Coston, Forrest

GCL: Stiller, Crawford, Schrader

(Participation is at the Commission's Discretion)

Issue 1: Should the Commission authorize SJNG to implement a temporary storm cost recovery surcharge?

Recommendation: Yes, the Commission should authorize SJNG to implement a temporary storm cost recovery surcharge. Once the total actual storm costs are known, SJNG should be required to file documentation of the total storm costs for Commission review and true-up of any over/under recovery. The disposition of any over/under recovery, and associated interest, will be considered by the Commission at a later date.

Issue 2: Should the Commission approve SJNG's proposed Hurricane Michael temporary storm cost recovery tariff?

Recommendation: Yes, the Commission should approve SJNG's proposed tariff as shown in Attachment A of staff's memorandum dated March 19, 2020, effective May 1, 2020.

Issue 3: What is the appropriate security to guarantee the amount collected subject to refund through the temporary storm cost recovery surcharge?

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 temporary storm cost recovery surcharge. The disposition of any over or under recovery, and associated interest, will be considered by the Commission at a later date.

ITEM NO.

CASE

11**PAA

Docket No. 20190113-WS – Application for staff-assisted rate case in Manatee County by Heather Hills Utilities, LLC.

Critical Date(s): 9/10/2020 (15-Month Effective Date (SARC))

Commissioners Assigned: All Commissioners

Prehearing Officer: Clark

Staff: AFD: Bennett, Norris

ECO: Bethea, Hudson

ENG: Graves, Knoblauch, M. Watts

GCL: Murphy

(Proposed Agency Action - Except for Issue Nos. 11, 13, and 14.)

Issue 1: Is the quality of service provided by Heather Hills satisfactory?

Recommendation: Staff recommends that the overall quality of service for Heather Hills should be considered satisfactory.

Issue 2: Are the infrastructure and operating conditions of Heather Hills' water and wastewater systems in compliance with DEP regulations?

Recommendation: Yes, Heather Hills' water and wastewater systems are currently in compliance with DEP regulations.

Issue 3: What are the used and useful (U&U) percentages for the Utility's water distribution and wastewater collection system?

Recommendation: Staff recommends that the water distribution system and the wastewater collection system be considered 100 percent U&U. There is no excessive unaccounted for water (EUW). Staff is unable to calculate inflow and infiltration (I&I) due to the nature of the Utility's provision of wastewater service. Therefore, no adjustment to operating expenses is recommended.

Issue 4: What are the appropriate average test year water and wastewater rate bases for Heather Hills, LLC?

Recommendation: The appropriate average test year rate base for Heather Hills is \$46,622 for water and \$16,998 for wastewater.

Issue 5: What is the appropriate return on equity and overall rate of return for Heather Hills?

Recommendation: The appropriate return on equity (ROE) is 10.55 percent with a range of 9.55 percent to 11.55 percent. The traditional rate of return does not apply in this case due to rate base being less than 125 percent of O&M expenses.

Issue 6: What are the appropriate test year revenues for the water and wastewater systems?

Recommendation: The appropriate test year revenues for Heather Hills' water is \$65,206 and wastewater is \$117,484.

ITEM NO.

CASE

11**PAA

Docket No. 20190113-WS – Application for staff-assisted rate case in Manatee County by Heather Hills Utilities, LLC.

(Continued from previous page)

Issue 7: What is the appropriate amount of operating expenses for Heather Hills?

Recommendation: The appropriate amount of operating expenses for Heather Hills is \$72,522 for water and \$118,902 for wastewater.

Issue 8: Does the Utility meet the criteria for the application of the Operating Ratio Methodology?

Recommendation: Yes. The Utility meets the requirement for application of the operating ratio methodology for calculating the revenue requirement for Heather Hills. The margin should be 12 percent of O&M expenses.

Issue 9: What is the appropriate revenue requirement?

Recommendation: The appropriate revenue requirement is \$76,385 for water and \$122,432 for wastewater resulting in an annual increase of \$11,179 for water and \$4,788 for wastewater.

Issue 10: What are the appropriate rate structures and rates for the water and wastewater systems of Heather Hills Utilities, LLC?

Recommendation: The recommended rate structures and quarterly water and wastewater rates are shown on Schedule Nos. 4-A and 4-B. 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 approved rates should not be implemented until staff has approved the proposed customer notice and the notice has been received by the customers. The Utility should provide proof of the date notice was given within 10 days of the date of this notice.

Issue 11: What is the appropriate amount by which the rates should be reduced after the published effective date to reflect the removal of the amortized rate case expense as required by Section 367.081(8), F.S.?

Recommendation: The rates should be reduced as shown on Schedule No. 4, to remove rate case expense grossed-up for RAFs and amortized over a four-year period. The decrease in rates should become effective immediately following the expiration of the rate case expense recovery period, pursuant to Section 367.081(8), F.S. Heather Hills 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 the Utility 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. (Bethea, Bennett)

ITEM NO.

CASE

11**PAA

Docket No. 20190113-WS – Application for staff-assisted rate case in Manatee County by Heather Hills Utilities, LLC.

(Continued from previous page)

Issue 12: Should the requested initial customer deposits for Heather Hills Utilities, LLC. be approved?

Recommendation: The appropriate initial customer deposits should be \$106 for the single family residential 5/8 inch x 3/4 inch meter size for water and \$172 for the single family residential 5/8 inch x 3/4 inch meter size for wastewater. The initial customer deposits for all other residential meter sizes and all general service meter sizes should be two times the average estimated bill for water and wastewater. The approved initial 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 deposits until authorized to change them by the Commission in a subsequent proceeding.

Issue 13: Should the recommended rates be approved for Heather Hills on a temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the Utility?

Recommendation: Yes. Pursuant to Section 367.0814(7), F.S., the recommended rates should be approved for the Utility on a temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the Utility. Heather Hills 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 staff analysis portion of staff's memorandum dated March 19, 2020. 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's Office of Commission Clerk no later than the 20th of each 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. (Bennett)

ITEM NO.

CASE

11**PAA

Docket No. 20190113-WS – Application for staff-assisted rate case in Manatee County by Heather Hills Utilities, LLC.

(Continued from previous page)

Issue 14: Should the Utility be required to notify the Commission in writing that it has adjusted its books in accordance with the Commission's decision?

Recommendation: Yes. Heather Hills should be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission's decision. Heather Hills should submit a letter within 90 days of the final order in this docket, confirming that the adjustments to all applicable National Association of Regulatory and Utility Commissioners Uniform System of Accounts (NARUC USOA) primary accounts have been made to the Utility's books and records. In the event the Utility needs additional time to complete the adjustments, notice should be provided within seven days prior to the deadline. Upon providing good cause, staff should be given administrative authority to grant an extension of up to 60 days. (Bennett)

Issue 15: Should this docket be closed?

Recommendation: No. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the Proposed Agency Action 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

12**PAA

Docket No. 20190071-WS – Application for staff-assisted rate case in Polk County by Deer Creek RV Golf & Country Club, Inc.

Critical Date(s): 08/13/2020 (15-Month Effective Date (SARC))

Commissioners Assigned: All Commissioners

Prehearing Officer: Polmann

Staff: ENG: Knoblauch, K. Johnson, M. Watts

AFD: D. Brown, T. Brown, Wilson

ECO: Hudson, Sibley

GCL: Weisenfeld

(Proposed Agency Action Except for Issue Nos. 13, 14, and 15.)

Issue 1: Is the quality of service provided by Deer Creek satisfactory?

Recommendation: Yes. Staff recommends that the overall quality of service provided by Deer Creek be considered satisfactory.

Issue 2: Are the infrastructure and operating conditions of Deer Creek's water and wastewater systems in compliance with DEP regulations?

Recommendation: Yes. Deer Creek's water and wastewater systems are currently in compliance with DEP regulations.

Issue 3: What are the used and useful (U&U) percentages for Deer Creek's water distribution system and wastewater collection system?

Recommendation: Staff recommends that the water distribution system and the wastewater collection system be considered 100 percent U&U. A 20.6 percent excessive unaccounted for water (EUW) adjustment should be made to purchased water expense and purchased wastewater expense to reflect excessive water loss. Staff is unable to calculate inflow and infiltration (I&I) due to the nature of the Utility's provision of wastewater service. Therefore, no adjustment to operating expenses is recommended for I&I.

Issue 4: What is the appropriate average test year water rate base and wastewater rate base for Deer Creek?

Recommendation: The appropriate average test year rate base for Deer Creek is \$58,509 for water and \$110,351 for wastewater.

Issue 5: What is the appropriate return on equity and overall rate of return for Deer Creek?

Recommendation: The appropriate return on equity (ROE) is 10.55 percent with a range of 9.55 percent to 11.55 percent. The appropriate overall rate of return is 4.86 percent.

Issue 6: What are the appropriate test year revenues for Deer Creek?

Recommendation: The appropriate test year revenues are \$120,048 for the water system and \$197,354 for the wastewater system.

ITEM NO.

CASE

12**PAA

Docket No. 20190071-WS – Application for staff-assisted rate case in Polk County by Deer Creek RV Golf & Country Club, Inc.

(Continued from previous page)

Issue 7: What is the appropriate amount of operating expenses for Deer Creek?

Recommendation: The appropriate amount of operating expenses for Deer Creek are \$222,823 for water and \$225,982 for wastewater.

Issue 8: Does Deer Creek meet the criteria for the application of the Operating Ratio Methodology?

Recommendation: Yes. The Utility meets the requirement for application of the operating ratio methodology for calculating the revenue requirement for Deer Creek. The margin should be 12 percent of O&M expenses.

Issue 9: What is the appropriate revenue requirement for Deer Creek?

Recommendation: The appropriate revenue requirement is \$230,483 for water and \$231,757 for wastewater, resulting in an annual increase of \$110,435 for water (91.99 percent) and \$34,403 for wastewater (17.43 percent).

Issue 10: Should the Commission approve Deer Creek's request to defer legal fees and other related costs associated with the recovery of uncompensated service revenues from a business entity in its certificated service area?

Recommendation: Yes. The Commission should approve the request by Deer Creek to defer the legal fees and other related costs associated with the recovery of uncompensated service revenues from a business entity in its certificated service area pending a final determination of whether any prudent costs incurred should be capitalized, amortized, or expensed.

Issue 11: What are the appropriate rate structure and rates for Deer Creek?

Recommendation: The recommended rate structure and monthly water and wastewater rates are shown on Schedule Nos. 4-A and 4-B. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved rates should not be implemented until staff has approved the proposed customer notice and the notice has been received by the customers. The Utility should provide proof of the date notice was given within 10 days of the date of the notice.

ITEM NO.

CASE

12**PAA

Docket No. 20190071-WS – Application for staff-assisted rate case in Polk County by Deer Creek RV Golf & Country Club, Inc.

(Continued from previous page)

Issue 12: What are the appropriate initial customer deposits for Deer Creek?

Recommendation: The appropriate initial customer deposits should be \$40 for the single family residential 5/8 inch x 3/4 inch meter size for water and remains \$44 for wastewater. The initial customer deposits for all other residential meter sizes and all general service meter sizes should be two times the average estimated bill for water. The approved initial 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 deposits until authorized to change them by the Commission in a subsequent proceeding.

Issue 13: 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 as required by Section 367.081(8) F.S.?

Recommendation: The rates should be reduced as shown on Schedule No. 4-A and 4-B, to remove rate case expense grossed-up for RAFs and amortized over a four-year period. The decrease in rates should become effective immediately following the expiration of the rate case expense recovery period, pursuant to Section 367.081(8), F.S. Deer Creek 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 the Utility 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. (Procedural Agency Action)

ITEM NO.

CASE

12**PAA

Docket No. 20190071-WS – Application for staff-assisted rate case in Polk County by Deer Creek RV Golf & Country Club, Inc.

(Continued from previous page)

Issue 14: Should the recommended rates be approved for Deer Creek on a temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the Utility?

Recommendation: Yes. Pursuant to Section 367.0814(7), F.S., the recommended rates should be approved for the Utility on a temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the Utility. Deer Creek 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 staff analysis portion of staff's memorandum dated March 19, 2020. 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's Office of Commission Clerk no later than the 20th of each 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. (Procedural Agency Action)

Issue 15: Should Deer Creek be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission's decision?

Recommendation: Yes. Deer Creek should be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission's decision. Deer Creek should submit a letter within 90 days of the final order in this docket, confirming that the adjustments to all applicable National Association of Regulatory Commissioners (NARUC) Uniform System of Accounts (USOA) primary accounts have been made to the Utility's books and records. In the event the Utility needs additional time to complete the adjustments, notice providing good cause should be filed within seven days prior to the deadline. Upon providing good cause, staff should be given administrative authority to grant such an extension for up to 60 days. (Procedural Agency Action)

ITEM NO.

CASE

12**PAA

Docket No. 20190071-WS – Application for staff-assisted rate case in Polk County by Deer Creek RV Golf & Country Club, Inc.

(Continued from previous page)

Issue 16: Should Deer Creek’s request for a cross connection control and backflow prevention tariff sheet be approved?

Recommendation: Yes. The tariff outlining Deer Creek’s cross connection prevention policy tariff should be approved. The approved tariff should be effective for service rendered on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C.

Issue 17: Should this docket be closed?

Recommendation: No. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the Proposed Agency Action 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. Also, the docket should remain open to allow the Utility to provide the recommended reporting information. Once these actions are complete, this docket should be closed administratively.

ITEM NO.

CASE

13**

Docket No. 20190213-WS – Application for transfer of water and wastewater facilities of Grenelefe Resort Utility, Inc., water Certificate No. 589-W, and wastewater Certificate No. 507-S to Lake Marion Investment LLC, in Polk County.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Fay

Staff: ENG: Doehling, Johnson

GCL: Lherisson

Issue 1: Should the Commission acknowledge withdrawal of Lake Marion’s application and refund its filing fee?

Recommendation: Yes. The Commission should acknowledge Lake Marion’s withdrawal of its application for transfer of water and wastewater facilities, and approve its request for a refund of the \$1,500 filing fee.

Issue 2: Should this docket be closed?

Recommendation: Yes. This docket should be closed because no further action is required.

ITEM NO.

CASE

14**PAA

Docket No. 20190215-EI – Petition for approval of depreciation rates for energy storage equipment, by Tampa Electric Company.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Smith II

GCL: Schrader

Issue 1: Should the Commission establish an annual depreciation rate applicable to energy storage equipment for TECO?

Recommendation: Yes. Staff recommends that the Commission approve an annual depreciation rate of 10 percent, and a zero percent net salvage level, applicable to TECO's energy storage equipment.

Issue 2: If the Commission approves staff's recommendation in Issue 1, should any transfers of plant investments and associated book reserves be authorized as part of this docket?

Recommendation: Yes. Staff recommends the Commission authorize book transfers from Account 362 - Station Equipment to Account 348 - Energy Storage Equipment – Production, 351 - Energy Storage Equipment – Transmission, and Account 363 - Energy Storage Equipment – Distribution.

Issue 3: If a new depreciation rate for energy storage equipment is authorized in Issue 1, what should be the effective date?

Recommendation: Staff recommends that any newly-authorized depreciation rate for energy storage equipment applicable to Account 348 - Energy Storage Equipment – Production, Account 351 - Energy Storage Equipment – Transmission, and Account 363 - Energy Storage Equipment – Distribution, become effective upon the issuance of a final Order in this docket.

Issue 4: Should this docket be closed?

Recommendation: If no protest to this proposed agency action is filed by a substantially affected person within 21 days of the issuance of the order, a consummating order should be issued the docket should be closed.

ITEM NO.

CASE

15**

Docket No. 20200046-GU – Petition to revise tariffs for Florida Public Utilities Company, Florida Public Utilities Company - Indiantown Division, Florida Public Utilities Company - Fort Meade, Florida Division of Chesapeake Utilities Corporation, and Peninsula Pipeline Company to update the description of gas quality and character of service.

Critical Date(s): 04/03/2020 (60-Day Suspension Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Hampson, Coston

ENG: Graves

GCL: Stiller, Crawford

(Tariff Filing)

Issue 1: Should the Commission approve the Companies' proposed tariff revisions?

Recommendation: Yes, the Commission should approve the Companies' proposed tariff revisions, effective March 31, 2020.

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

15A**

Docket No. 20200095-EI – Petition for approval of emergency modification to Duke Energy's rate schedule SC-1, tariff sheet 6.110 by Duke Energy Florida, LLC.

Critical Date(s): 05/18/2020 (60-Day Suspension Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Hampson, Coston

GCL: Brownless

(Tariff Filing)

Issue 1: Should the Commission approve the DEF's proposed modifications to Tariff Sheet No. 6.110?

Recommendation: Yes, the Commission should approve the modifications to Tariff Sheet No. 6.110, effective March 31, 2020.

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.