

# FLORIDA PUBLIC SERVICE COMMISSION

## COMMISSION CONFERENCE AGENDA

**CONFERENCE DATE AND TIME:** Tuesday, March 2, 2021, 9:30 a.m.

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

**DATE ISSUED:** February 18, 2021

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### 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.

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 1, 2021; or (2) file any written comments for a particular item in the applicable Docket file by noon on March 1, 2021.

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).

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 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](mailto:Clerk@psc.state.fl.us).

Table of Contents  
 Commission Conference Agenda  
 March 2, 2021

1**	<b>Docket No. 20200119-WS</b> – Proposed amendment of Rule 25-30.335, F.A.C., Customer Billing .....	1
2	<b>Docket No. 20200260-TP</b> – Petition for declaratory statement concerning jurisdiction over wireless telecommunications, specifically commercial radio service providers, for the sole purpose of lifeline-only ETC designation, by TruConnect Communications, Inc. ....	2
3**PAA	<b>Docket No. 20200263-TX</b> – Petition for expedited designation as an eligible telecommunications carrier in the State of Florida or, in the alternative, petition for expedited declaratory statement, by Conexon Connect, LLC.....	3
4**PAA	<b>Docket No. 20210011-TP</b> – Application for designation as an eligible telecommunications carrier (ETC) for purposes of receiving rural digital opportunities fund support, or request to decline jurisdiction, and request for expedited consideration, by Starlink Services, LLC.....	4
5**PAA	<b>Docket No. 20210012-TX</b> – Application for limited designation as an eligible telecommunications carrier (ETC) to receive rural digital opportunity fund (Auction 904) support for voice and broadband services and request for expedited consideration, by Hotwire Communications Ltd. ....	5
6**PAA	<b>Docket No. 20210013-TX</b> – Application for designation as an eligible telecommunications carrier to receive rural digital opportunity fund auction (Auction 904) support for voice and broadband services and request for expedited consideration, by Bright House Networks Information Services (Florida), LLC... ..	6
7**PAA	<b>Docket No. 20200168-WU</b> – Application for staff-assisted rate case in Polk County, and request for interim rate increase, by McLeod Gardens Utilities, LLC. ....	7
8**PAA	<b>Docket No. 20200169-WS</b> – Application for staff-assisted rate case in Lake County, and request for interim rate increase, by Lake Yale Utilities, LLC. ....	11
9**PAA	<b>Docket No. 20200195-WU</b> – Application of Lake Takquin Waterworks, Inc. for grandfather water certificate in Leon County and pass through of regulatory assessment fees. ....	15
10**	<b>Docket No. 20200241-EI</b> – Petition for limited proceeding for recovery of incremental storm restoration costs related to Hurricane Sally, by Gulf Power Company. ....	17
11**PAA	<b>Docket No. 20200242-EI</b> – Petition for approval of regulatory assets related to the retirements of the coal generation assets at Plant Crist Units 4, 5, 6, and 7, by Gulf Power Company. <b>Docket No. 20210007-EI</b> – Environmental cost recovery clause. ....	18

Table of Contents  
Commission Conference Agenda  
March 2, 2021

12 PAA      **Docket No. 20190170-WS** – Application for transfer of facilities and Certificate  
Nos. 259-W and 199-S in Broward County from Royal Utility Company to Royal  
Waterworks, Inc. .... 20

**ITEM NO.**

**CASE**

1\*\*

**Docket No. 20200119-WS** – Proposed amendment of Rule 25-30.335, F.A.C., Customer Billing.

**Rule Status:** Proposed

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Fay

**Staff:** GCL: Cowdery

ECO: Bruce, Guffey, Hudson, Sibley

**(Proposal May Be Deferred)**

**Issue 1:** Should the Commission propose the amendment of Rule 25-30.335, F.A.C., Customer Billing?

**Recommendation:** Yes, the Commission should propose the amendment of Rule 25-30.335, F.A.C., as set forth in Attachment A of staff's memorandum dated February 18, 2021. The Commission should also certify Rule 25-30.335, 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 Joint Administrative Procedure Committee comments are filed, the rule should be filed with the Department of State, and the docket should be closed.

**ITEM NO.**

**CASE**

2

**Docket No. 20200260-TP** – Petition for declaratory statement concerning jurisdiction over wireless telecommunications, specifically commercial radio service providers, for the sole purpose of lifeline-only ETC designation, by TruConnect Communications, Inc.

**Critical Date(s):** 3/23/21 (Final Order on Request for Declaratory Statement Must be Issued by this Date pursuant to Section 120.565(3), Florida Statutes)

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Graham

**Staff:** GCL: DuVal

IDM: Deas, Fogleman

**(Participation is at the Discretion of the Commission.)**

**Issue 1:** Should the Commission grant TruConnect's request for hearing on its Petition?

**Recommendation:** No. TruConnect's request for hearing on its Petition should be denied. Pursuant to Rule 28-105.003, F.A.C., the Commission should rely on the facts set forth in TruConnect's petition without taking any position with regard to the validity of the facts. However, the Commission has the discretion, pursuant to Rule 25-22.0021(7), F.A.C., to allow TruConnect to participate informally at the agenda conference.

**Issue 2:** Should the Commission grant TruConnect's Petition for Declaratory Statement?

**Recommendation:** While the Commission should find that TruConnect satisfies the requirements for the issuance of a declaratory statement, it should decline to issue the affirmative declaration requested by TruConnect. Instead, the Commission should issue a declaratory statement that the Commission cannot and will not assert jurisdiction over TruConnect for the sole purpose of Lifeline-only ETC designation because TruConnect is a commercial mobile radio service provider exempted from the Commission's jurisdiction under Sections 364.011(4), 364.02(13)(c), and 364.10, F.S.

**Issue 3:** Should this docket be closed?

**Recommendation:** Yes. If the Commission votes to either grant or deny the Petition for Declaratory Statement, the docket should be closed.

**ITEM NO.**

**CASE**

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3\*\*PAA

**Docket No. 20200263-TX** – Petition for expedited designation as an eligible telecommunications carrier in the State of Florida or, in the alternative, petition for expedited declaratory statement, by Conexon Connect, LLC.

**Critical Date(s):** June 7, 2021, for qualification for RDOF auction disbursement

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Graham

**Staff:** IDM: Deas, Fogleman, Wendel

GCL: Weisenfeld,

**Issue 1:** Should the Commission grant Conexon Connect, LLC ETC status in Florida to Receive Rural Digital Opportunity Fund Auction (Auction 904) Support for Voice and Broadband Services?

**Recommendation:** No. Staff recommends that the Commission lacks jurisdiction to grant Conexon Connect, LLC ETC status in Florida. Staff further recommends that, as a provider of non-jurisdictional fixed broadband service, Conexon should apply directly to the FCC for a Florida ETC designation. Since staff is recommending that the Commission issue an order that it lacks jurisdiction, Conexon Connect, LLC's alternative request for a declaratory statement is moot.

**Issue 2:** 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 Proposed Agency Action Order, this docket should be closed upon the issuance of a consummating order.

**ITEM NO.**

**CASE**

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4\*\*PAA

**Docket No. 20210011-TP** – Application for designation as an eligible telecommunications carrier (ETC) for purposes of receiving rural digital opportunities fund support, or request to decline jurisdiction, and request for expedited consideration, by Starlink Services, LLC.

**Critical Date(s):** June 7, 2021, for qualification for RDOF action disbursement

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Graham

**Staff:** IDM: Deas, Fogleman, Wendel

GCL: Weisenfeld

**Issue 1:** Should the Commission grant Starlink Services LLC ETC status in Florida to receive Rural Digital Opportunity Fund Auction (Auction 904) support for Satellite voice and broadband services?

**Recommendation:** No. Staff recommends that the Commission lacks jurisdiction to grant Starlink Services, LLC ETC status in Florida. Staff further recommends that, as a facilities-based provider of non-jurisdictional satellite broadband service, Starlink Services, LLC should apply directly to the FCC for a Florida ETC designation. Since staff is recommending that the Commission lacks jurisdiction, Starlink Services LLC's alternative request for an affirmative statement declining jurisdiction is moot.

**Issue 2:** 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 Proposed Agency Action Order, this docket should be closed upon the issuance of a Consummating Order.

**ITEM NO.**

**CASE**

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5\*\*PAA

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**Docket No. 20210012-TX** – Application for limited designation as an eligible telecommunications carrier (ETC) to receive rural digital opportunity fund (Auction 904) support for voice and broadband services and request for expedited consideration, by Hotwire Communications Ltd.

**Critical Date(s):** June 7, 2021 for qualification for RDOF auction disbursement

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Graham

**Staff:** IDM: Wendel, Deas, Fogleman

GCL: Passidomo

**Issue 1:** Should the Commission grant Hotwire Telecommunications Ltd. (Hotwire) ETC status in Florida to Receive Rural Digital Opportunity Fund Auction (Auction 904) Support for Voice and Broadband Services?

**Recommendation:** No. Staff recommends that the Commission lacks jurisdiction to grant Hotwire Telecommunications Ltd. ETC status in Florida. Staff further recommends that, as a facilities-based provider of non-jurisdictional broadband and VoIP services, Hotwire should apply directly to the FCC for a Florida ETC designation.

**Issue 2:** 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 Proposed Agency Action Order, this docket should be closed upon the issuance of a consummating order.



**ITEM NO.**

**CASE**

6\*\*PAA

**Docket No. 20210013-TX** – Application for designation as an eligible telecommunications carrier to receive rural digital opportunity fund auction (Auction 904) support for voice and broadband services and request for expedited consideration, by Bright House Networks Information Services (Florida), LLC.

**Critical Date(s):** June 7, 2021 for qualification for RDOF auction disbursement.

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Graham

**Staff:** IDM: Deas, Fogleman, Wendel

GCL: Murphy

**Issue 1:** Should the Commission grant Bright House Networks Information Services (Florida), LLC ETC status in Florida to Receive Rural Digital Opportunity Fund Auction (Auction 904) Support for Voice and Broadband Services?

**Recommendation:** Yes. Bright House Networks Information Services (Florida), LLC is a telecommunications company certificated to provide service in Florida and meets all of the requirements for designation as an ETC under Section 364.10, F.S., and applicable federal law. The Company has acknowledged the requirement to comply with Sections 364.10 and 364.105, F.S., and Rule 25-4.0665, F.A.C., which govern Lifeline service and provide for a transitional discount for those customers no longer eligible for Lifeline.

**Issue 2:** 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 Proposed Agency Action Order, this docket should be closed upon the issuance of a consummating order.

**ITEM NO.**

**CASE**

7\*\*PAA

**Docket No. 20200168-WU** – Application for staff-assisted rate case in Polk County, and request for interim rate increase, by McLeod Gardens Utilities, LLC.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Brown

**Staff:** ENG: Lewis, Ramos

AFD: Cicchetti, Richards, D. Brown

ECO: Bethea

GCL: Passidomo

**(Proposed Agency Action Except for Issue Nos. 12, 13, 14.)**

**Issue 1:** Is the quality of service provided by McLeod satisfactory?

**Recommendation:** Yes. The Utility is passing all Department of Environmental Protection (DEP) primary and secondary standards and has been responsive to its customer complaints. Therefore, the quality of service provided by McLeod should be considered satisfactory.

**Issue 2:** Are the infrastructure and operating conditions of McLeod's water system in compliance with the DEP regulations?

**Recommendation:** Yes. The Utility's water treatment facilities are currently in compliance with DEP regulations.

**Issue 3:** What are the used and useful (U&U) percentages of McLeod's WTP and water distribution system?

**Recommendation:** McLeod's WTP and water distribution system should be considered 100 percent U&U. There appears to be no excessive unaccounted for water (EUW); therefore, staff recommends that no adjustment be made to operating expenses for chemicals and purchased power.

**Issue 4:** What is the appropriate average test year rate base for McLeod?

**Recommendation:** The appropriate average test year rate base for McLeod is \$47,179.

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

**Recommendation:** The appropriate return on equity (ROE) is 7.85 percent with a range of 6.85 percent to 8.85 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. As such, the Operating Ratio method is being used in this case.

**Issue 6:** Should the Commission approve an Allowance for Funds Used During Construction (AFUDC) rate for McLeod?

**Recommendation:** Yes. The appropriate AFUDC rate for McLeod is 7.51 percent. The appropriate monthly compounding rate to achieve an annual rate of 7.51 percent is 0.605314 percent.

**ITEM NO.**

**CASE**

7\*\*PAA

**Docket No. 20200168-WU** – Application for staff-assisted rate case in Polk County, and request for interim rate increase, by McLeod Gardens Utilities, LLC.

(Continued from previous page)

**Issue 7:** What are the appropriate test year revenues for McLeod?

**Recommendation:** The appropriate test year revenues for McLeod Gardens are \$34,222.

**Issue 8:** What is the appropriate test year operating expense for McLeod?

**Recommendation:** The appropriate amount of operating expense for McLeod is \$46,107.

**Issue 9:** Does McLeod meet the criteria for the application of the Operating Ratio Methodology?

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

**Issue 10:** What is the appropriate revenue requirement for McLeod?

**Recommendation:** The appropriate revenue requirement is \$50,784, resulting in an annual increase of \$16,562 (48.40 percent).

**Issue 11:** What are the appropriate rate structure and rates for McLeod's water systems?

**Recommendation:** The recommended rate structure and monthly water rates are shown on Schedule No. 4. 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 the notice.

**Issue 12:** 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 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. Pursuant to Section 367.081(8), F.S., the decrease in rates should become effective immediately following the expiration of the rate case expense recovery period. McLeod 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, the Utility shall file separate data for the price index and/or pass-through increase or decrease and the reduction in the rates due to the amortized rate case expense.

**ITEM NO.**

**CASE**

7\*\*PAA

**Docket No. 20200168-WU** – Application for staff-assisted rate case in Polk County, and request for interim rate increase, by McLeod Gardens Utilities, LLC.

(Continued from previous page)

**Issue 13:** Should the recommended rates be approved for McLeod 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. McLeod 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 February 18, 2021 . 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.

**Issue 14:** Should McLeod be required to notify the Commission within 90 days of an effective order finalizing this docket, that it has adjusted its books for all the applicable National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts (USOA) associated with the Commission approved adjustments?

**Recommendation:** Yes. McLeod should be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission's decision. McLeod 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 providing good cause should be filed not less than 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.

**ITEM NO.**

**CASE**

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7\*\*PAA

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**Docket No. 20200168-WU** – Application for staff-assisted rate case in Polk County, and request for interim rate increase, by McLeod Gardens Utilities, LLC.

(Continued from previous page)

**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**

8\*\*PAA

**Docket No. 20200169-WS** – Application for staff-assisted rate case in Lake County, and request for interim rate increase, by Lake Yale Utilities, LLC.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Brown

**Staff:** ENG: P. Buys, King, Kistner, Ramos

AFD: Cicchetti, D. Brown, Richards

ECO: Sibley, Hudson

GCL: Murphy

**(Proposed Agency Action Except for Issue Nos. 14, 15, 16)**

**Issue 1:** Is the quality of service provided by Lake Yale satisfactory?

**Recommendation:** Yes. The Utility is passing all Department of Environmental Protection (DEP) primary and secondary standards and has been responsive to its customer complaints. Therefore, the quality of service provided by Lake Yale should be considered satisfactory.

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

**Recommendation:** Yes. The Utility's water and wastewater treatment facilities are currently in compliance with DEP regulations.

**Issue 3:** What are the used and useful (U&U) percentages of Lake Yale's water treatment plant (WTP), WWTP, water distribution system, and wastewater collection system?

**Recommendation:** Lake Yale's WTP, WWTP, water distribution system, and wastewater collection system should be considered 100 percent U&U. Additionally, staff recommends no adjustment to purchased power and chemicals should be made for excessive unaccounted for water (EUW) or excessive infiltration and inflow (I&I).

**Issue 4:** What is the appropriate average test year water rate base and wastewater rate base for Lake Yale?

**Recommendation:** The appropriate average test year rate bases for Lake Yale are \$117,040 for water and \$34,494 for wastewater.

**Issue 5:** What is the appropriate return on equity and overall rate of return for Lake Yale?

**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 6.85 percent. The traditional rate of return does not apply to the Utility's wastewater system in this docket. The Operating Ratio method is employed due to rate base being less than 125 percent of O&M expenses.

**Issue 6:** Should the Commission approve an Allowance for Funds Used During Construction (AFUDC) rate for Lake Yale?

**ITEM NO.**

**CASE**

8\*\*PAA

**Docket No. 20200169-WS** – Application for staff-assisted rate case in Lake County, and request for interim rate increase, by Lake Yale Utilities, LLC.

(Continued from previous page)

**Recommendation:** Yes. The appropriate AFUDC rate for Lake Yale is 6.85 percent. The appropriate monthly compounding rate to maintain an annual rate of 6.85 percent is 0.553265 percent.

**Issue 7:** What are the appropriate amounts of test year revenues for Lake Yale?

**Recommendation:** The appropriate test year revenues for Lake Yale are \$68,461 for water and \$57,090 for wastewater.

**Issue 8:** What are the appropriate amounts of operating expenses for Lake Yale Utility?

**Recommendation:** The appropriate amounts of operating expenses are \$81,646 for water and \$90,079 for wastewater.

**Issue 9:** Does Lake Yale meet the criteria for the application of the Operating Ratio Methodology?

**Recommendation:** Yes. Lake Yale meets the requirement for application of the Operating Ratio methodology for calculating the wastewater revenue requirement. The margin should be 12 percent of wastewater O&M expenses.

**Issue 10:** What are the appropriate revenue requirements for Lake Yale?

**Recommendation:** The appropriate revenue requirements are \$89,660 and \$99,758 for water and wastewater, respectively. These revenue requirements result in annual increases of \$21,199 (30.97 percent) for water and \$41,668 (72.99 percent) for wastewater.

**Issue 11:** What are the appropriate rate structures and rates for Lake Yale?

**Recommendation:** The recommended rate structures 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 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 the notice.

**Issue 12:** What are the appropriate initial customer deposits for Lake Yale's water and wastewater systems?

**Recommendation:** The appropriate initial customer deposits for the residential 5/8 inch x 3/4 inch meter size should be \$37 for water and \$61 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. The approved initial customer deposits should be effective for services rendered or 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

**ITEM NO.**

**CASE**

8\*\*PAA

**Docket No. 20200169-WS** – Application for staff-assisted rate case in Lake County, and request for interim rate increase, by Lake Yale Utilities, LLC.

(Continued from previous page)

be required to collect the approved deposits until authorized to change them by the Commission in a subsequent proceeding.

**Issue 13:** Should Lake Yale be authorized to collect Non-Sufficient Funds (NSF) charges?

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

**Issue 14:** 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 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. Lake Yale 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, the Utility shall file separate data 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 15:** Should the recommended rates be approved for Lake Yale on a temporary basis, subject to refund, 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. Lake Yale 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



**ITEM NO.**

**CASE**

8\*\*PAA

**Docket No. 20200169-WS** – Application for staff-assisted rate case in Lake County, and request for interim rate increase, by Lake Yale Utilities, LLC.

(Continued from previous page)

February 18, 2021 . 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.

**Issue 16:** 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. Lake Yale should be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission's decision. Lake Yale 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 providing good cause should be filed not less than 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.

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

**ITEM NO.**

**CASE**

9\*\*PAA

**Docket No. 20200195-WU** – Application of Lake Talquin Waterworks, Inc. for grandfather water certificate in Leon County and pass through of regulatory assessment fees.

**Critical Date(s):** 03/02/21 (90-Day Statutory Deadline to Address Rule Waiver, waived to 03/02/21 by the Utility.)

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Fay

**Staff:** ENG: M. Watts

AFD: D. Andrews, Norris

ECO: Sibley

GCL: Lherisson

**(Proposed Agency Action for Issues 1, 4, 5, and 6)**

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

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

**Issue 2:** Should Lake Talquin Waterworks, Inc.’s application for a grandfather water certificate in Leon County be acknowledged?

**Recommendation:** Yes. Lake Talquin’s application should be acknowledged and the Utility should be issued Certificate No. 678-W, effective August 4, 2020, to serve the territory described in Attachment A of staff’s memorandum dated February 18, 2021 . The resultant order should serve as Lake Talquin’s certificate and should be retained by the Utility.

**Issue 3:** What rates and charges should be approved for Lake Talquin Waterworks, Inc.?

**Recommendation:** The Utility’s monthly service rates and charges that were in effect when Leon County transferred jurisdiction to the Commission, shown on Schedule No. 1, should be approved. The Utility’s revised late payment charge and initial customer deposit, and non-sufficient funds charge, are separately addressed in Issues 4, 5, and 6. The rates and charges should be effective for services rendered on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. The Utility should be required to charge the approved rates and charges until authorized to change them by this Commission in a subsequent proceeding.

**ITEM NO.**

**CASE**

9\*\*PAA

**Docket No. 20200195-WU** – Application of Lake Talquin Waterworks, Inc. for grandfather water certificate in Leon County and pass through of regulatory assessment fees.

(Continued from previous page)

**Issue 4:** Should Lake Talquin Waterworks, Inc. late payment charge be revised?

**Recommendation:** Yes. Lake Talquin’s late payment charge should be revised to \$6.50. The Utility should be required to file a proposed customer notice to reflect the Commission-approved charge. The approved charge should be effective on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved charge should not be implemented until staff has approved the proposed customer notice and the notice has been received by customers. The Utility should provide proof of the date notice was given no less than 10 days after the date of the notice.

**Issue 5:** Should Lake Talquin Waterworks, Inc. be authorized to collect NSF charges?

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

**Issue 6:** Should Lake Talquin Waterworks, Inc.’s initial customer deposit be revised?

**Recommendation:** Yes. Lake Talquin’s initial customer deposit should be revised to reflect \$86 for the residential 5/8 inch x 3/4 inch meter size. The initial customer deposit for all other residential meter sizes and all general service meter sizes should be two times the average estimated bill. The approved customer deposits should be effective for connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. The Utility should be required to collect the approved initial customer deposits until authorized to change them by the Commission in a subsequent proceeding.

**Issue 7:** Should this docket be closed?

**Recommendation:** If no person whose substantial interests are affected by the proposed agency action portion of this recommendation 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 have been filed by the Utility and approved by staff. Once this action is complete, this docket should be closed administratively.

**ITEM NO.**

**CASE**

10\*\*

**Docket No. 20200241-EI** – Petition for limited proceeding for recovery of incremental storm restoration costs related to Hurricane Sally, by Gulf Power Company.

**Critical Date(s):** 03/02/21 (Requested Implementation Date)

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Graham

**Staff:** AFD: M. Andrews, D. Buys, Hightower, Mouring

ECO: Coston, Forrest

GCL: Trierweiler, Osborn

**(This Item should be taken up immediately before staff's recommendation in Docket No. 20200242-EI)**

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

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

**Issue 2:** Should the Commission approve Gulf's proposed interim storm restoration recovery charge tariff as shown in Attachment A of staff's memorandum dated February 18, 2021?

**Recommendation:** Yes. The Commission should approve Gulf's proposed interim storm restoration recovery charge tariff as shown in Attachment A of staff's memorandum dated February 18, 2021. The proposed tariff should become effective March 2, 2021.

**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 Sally 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**

11\*\*PAA

**Docket No. 20200242-EI** – Petition for approval of regulatory assets related to the retirements of the coal generation assets at Plant Crist Units 4, 5, 6, and 7, by Gulf Power Company.

**Docket No. 20210007-EI** – Environmental cost recovery clause.

**Critical Date(s):** April 19, 2021 (90-day deadline to act on Petition for Waiver per Section 120.542(8), Florida Statutes)

**Commissioners Assigned:** Brown, Fay, La Rosa (20200242-EI)  
All Commissioners (20210007-EI)

**Prehearing Officer:** La Rosa (20200242-EI)  
Fay (20210007-EI)

**Staff:** ECO: Coston, Forrest, Haas, Wu  
AFD: Snyder, M. Andrews, Mouring, Sowards  
ENG: P. Buys, Knoblauch, Phillips  
GCL: Stiller, J. Crawford

**(This Item should be taken up immediately after staff's recommendation in Docket No. 20200241-EI.)**

**Issue 1:** Should the Commission approve Gulf's Petition for Waiver of a portion of Rule 25-6.0436(7)(a), Florida Administrative Code (F.A.C.)?

**Recommendation:** Yes. The portion of Rule 25-6.0436(7)(a), F.A.C., from which Gulf requests a waiver requires that a utility obtain Commission approval for authority to make adjustments for unrecovered investments associated with the retirement of major installations prior to the date of such retirement. Staff recommends that Gulf has demonstrated that applying the rule in this docket and making the Company's Petition subject to denial solely because of timing would impose a substantial hardship on the Company. Gulf has also demonstrated that the purposes of the statutes underlying the portion of the Rule being waived will be served by other means during the upcoming base rate proceeding.

**Issue 2:** Should the Commission approve Gulf's request to create two regulatory assets related to the retirement of Plant Crist Units 4, 5, 6 and 7 and defer the recovery of the regulatory assets to a future proceeding?

**Recommendation:** Yes. The Commission should approve Gulf's request to create two regulatory assets related to the early retirement of coal generation assets and capability at Plant Crist Units 4, 5, 6 and 7 and defer the recovery of the regulatory assets to a future proceeding. Further, the Commission should find that 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 a future proceeding in which the regulatory assets are included.

**ITEM NO.**

**CASE**

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11\*\*PAA

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**Docket No. 20200242-EI** – Petition for approval of regulatory assets related to the retirements of the coal generation assets at Plant Crist Units 4, 5, 6, and 7, by Gulf Power Company.

**Docket No. 20210007-EI** – Environmental cost recovery clause.

(Continued from previous page)

**Issue 3:** Should the Commission approve Gulf’s petition to reduce its currently-approved 2021 Environmental Cost Recovery Clause (ECRC) factors and tariff for the period March through December 2021 to reflect the early retirement of the coal generation assets and capability at Plant Crist Units 4-7?

**Recommendation:** Yes. The Commission should approve Gulf’s petition to revise the currently-approved 2021 ECRC factors and tariff for the period March through December 2021, to reflect the early retirement of the coal generation assets and capability at Plant Crist Units 4-7. The proposed tariff, as shown in Attachment A of staff’s memorandum dated February 18, 2021, should go into effect March 2, 2021.

**Issue 4:** 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**

12 PAA

**Docket No. 20190170-WS** – Application for transfer of facilities and Certificate Nos. 259-W and 199-S in Broward County from Royal Utility Company to Royal Waterworks, Inc.

**Critical Date(s):** None

**Commissioners Assigned:** Clark, Graham, Brown, Fay

**Prehearing Officer:** Clark

**Staff:** AFD: Norris, Sowards

GCL: Lherisson, J. Crawford

**(Reconsideration requested on the Commission's own motion - Participation is at the Commission's discretion.)**

**Issue 1:** Should the Commission reconsider its decision made in Order No. PSC-2020-0458-PAA-WS, regarding the utility plant in service balances and the calculation of net book value?

**Recommendation:** Yes. The Commission should reconsider its decision with respect to the UPIS balances and the calculation of NBV. The correct UPIS balances of the water and wastewater systems are \$3,313,569 and \$1,873,194, respectively, as of July 1, 2019. The NBV of the water and wastewater systems are \$867,332 and \$467,593, respectively, as of July 1, 2019. Royal 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 the 2020 Annual Report when filed.

**Issue 2:** Should this docket be closed?

**Recommendation:** Yes. 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 the docket should be closed administratively after the Buyer has notified the Commission in writing that it has adjusted its books in accordance with the Commission's decision.