

FLORIDA PUBLIC SERVICE COMMISSION

COMMISSION CONFERENCE AGENDA

CONFERENCE DATE AND TIME: Tuesday, August 3, 2021, 9:30 a.m.

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

DATE ISSUED: July 27, 2021**

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.

Participation may be in person or by telephone.* Any interested person who would like to participate telephonically on any item on the Conference agenda should contact the Office of General Counsel at 850-413-6199 no later than 12:00 p.m. on August 2, 2021. Interested persons may also file written comments with the Agency Clerk in the applicable docket file for all matters to be taken up by the Commission, except any posthearing recommendation. Any written comments must be filed no later than 12:00 p.m. on August 2, 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.

*Due to COVID-19, the Commission may limit public attendance in Room 148.

**Revised to insert late-filed Items 2a and 2b.

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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

20210117-TX

TELETECH COMMUNICATIONS INC

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

ITEM NO.

CASE

2A**

Docket No. 20210001-EI – Fuel and purchased power cost recovery clause with generating performance incentive factor.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Fay

Staff: AFD: Higgins

ECO: Draper

GCL: Brownless, DuVal

(Duke Energy Florida, LLC)

Issue 1: Should the Commission modify DEF’s currently-approved fuel factors for the purpose of addressing a portion of its currently-projected under-recovery of 2021 fuel costs?

Recommendation: Yes. Staff recommends the Commission approve an adjustment to DEF’s currently-approved fuel factors for the purpose of incorporating a portion of the total projected 2021 period-ending under-recovery of fuel costs.

Issue 2: If approved by the Commission, what is the appropriate effective date for DEF’s revised fuel cost recovery factors?

Recommendation: Staff recommends that the fuel cost recovery factors as shown on Appendix A become effective with the first billing cycle of September 2021.

Issue 3: Should this docket be closed?

Recommendation: No. The 20210001-EI docket is an on-going proceeding and should remain open.

ITEM NO.

CASE

2B**

Docket No. 20210001-EI – Fuel and purchased power cost recovery clause with generating performance incentive factor.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Fay

Staff: AFD: Higgins

ECO: Draper

GCL: Brownless, DuVal

(Tampa Electric Company)

Issue 1: Should the Commission modify TECO’s currently-approved fuel and capacity factors for the purposes of addressing currently-projected under-recoveries of 2021 fuel and capacity costs?

Recommendation: Yes. Staff recommends the Commission approve an adjustment to TECO’s currently-approved fuel cost recovery factors for the purpose of incorporating the total projected period-ending 2021 under-recovery of its fuel costs in the amount of \$73,680,277. Staff further recommends the Commission approve an adjustment to TECO’s capacity cost recovery factors to incorporate a projected period-ending 2021 under-recovery of capacity costs in the amount of \$9,628,629.

Issue 2: If approved by the Commission, what is the appropriate effective date for TECO’s revised fuel and capacity cost recovery factors?

Recommendation: Staff recommends that the fuel cost recovery and capacity factors as shown on Appendix A become effective with the first billing cycle of September 2021. If the Commission approves alternative cost recovery amounts, TECO should file revised tariff sheet No. 6.020 consistent with the Commission’s decision within five days of the vote for administrative approval by staff.

Issue 3: Should this docket be closed?

Recommendation: No. The 20210001-EI docket is an on-going proceeding and should remain open.

ITEM NO.

CASE

3**PAA

Docket No. 20200230-WU – Application for staff-assisted rate case in Manatee County by Sunny Shores Utilities, LLC.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: La Rosa

Staff: AFD: Richards, D. Brown, Casper

ECO: Bruce, Hudson

ENG: Ellis, Phillips

GCL: Weisenfeld, Tan

(Proposed Agency Action Except for Issue Nos. 15, 16, 17.)

Issue 1: Is the quality of service provided by Sunny Shores satisfactory?

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

Issue 2: Are the infrastructure and operating conditions of Sunny Shores' water system in compliance with the DEP regulations?

Recommendation: Yes. The Utility's water system is currently in compliance with DEP regulations.

Issue 3: What are the used and useful (U&U) percentages of Sunny Shores' water distribution system?

Recommendation: Sunny Shores' water distribution system should be considered 100 percent U&U. Additionally, staff recommends no adjustment to purchased water expense be made for excessive unaccounted for water (EUW).

Issue 4: What is the appropriate average test year rate base for Sunny Shores?

Recommendation: The appropriate average test year rate base for Sunny Shores is \$46,813.

Issue 5: What is the appropriate return on equity (ROE) and overall rate of return for Sunny Shores?

Recommendation: The appropriate 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. As such, the Operating Ratio Methodology is being used in this case.

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

Recommendation: Yes. The appropriate AFUDC rate for Sunny Shores is 7.83 percent. The appropriate monthly compounding rate to achieve an annual rate of 7.83 percent is 0.630192 percent.

ITEM NO.

CASE

3**PAA

Docket No. 20200230-WU – Application for staff-assisted rate case in Manatee County by Sunny Shores Utilities, LLC.

(Continued from previous page)

Issue 7: What are the appropriate test year revenues for Sunny Shores' water system?

Recommendation: The appropriate test year revenues for Sunny Shores' water system are \$93,505.

Issue 8: What is the appropriate test year operating expense for Sunny Shores?

Recommendation: The appropriate amount of operating expense for Sunny Shores is \$102,210.

Issue 9: Does Sunny Shores meet the criteria for the application of the Operating Ratio Methodology?

Recommendation: Yes. Sunny Shores meets the requirement for application of the Operating Ratio Methodology for calculating revenue requirement. The margin should be 12 percent of O&M expenses less the amount for purchased water expense.

Issue 10: What is the appropriate revenue requirement for Sunny Shores?

Recommendation: The appropriate revenue requirement for Sunny Shores is \$109,216, resulting in an annual increase of \$15,711 (16.80 percent).

Issue 11: What is the appropriate rate structure and rates for Sunny Shores' water system?

Recommendation: The recommended rate structure and quarterly water rates are shown on Schedule No. 4 in staff's memorandum dated July 22, 2021 . 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 12: Should the requested initial customer deposits for Sunny Shores be approved?

Recommendation: The appropriate initial customer deposits should be \$194 for the single family residential 5/8 inch x 3/4 inch meter size for water. 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.

ITEM NO.

CASE

3**PAA

Docket No. 20200230-WU – Application for staff-assisted rate case in Manatee County by Sunny Shores Utilities, LLC.

(Continued from previous page)

Issue 13: Should the Commission approve the Utility's request to remove the tariff charge for maintenance of the customers' backflow prevention devices?

Recommendation: Yes. The Utility's request to remove the tariff charge for maintenance of customers' backflow prevention devices should be approved. The Utility should require customers to provide documentation of the annual inspection by a date specified by the Utility.

Issue 14: Should the Commission approve the Utility's request to implement a meter tampering charge and, if so, what is the appropriate charge?

Recommendation: Yes. The Utility's request to implement a \$178 meter tampering charge should be approved. The Utility should be required to file a proposed customer notice to reflect the Commission-approved charge. The approved charge should be effective for services rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(2), F.A.C. In addition, the approved charge should not be implemented until staff has approved the proposed customer notice. The Utility should provide proof of the date notice was given no less than 10 days after the date of the notice.

Issue 15: 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 in staff's memorandum dated July 22, 2021, 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. Sunny Shores 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.

ITEM NO.

CASE

3**PAA

Docket No. 20200230-WU – Application for staff-assisted rate case in Manatee County by Sunny Shores Utilities, LLC.

(Continued from previous page)

Issue 16: Should the recommended rates be approved for Sunny Shores on a temporary basis, subject to refund the 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. Sunny Shores should file revised tariff sheets and a proposed customer notice reflecting the Commission-approved rates. The approved rates should be effective for services 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. Further, prior to implementing any temporary rates, the Utility should provide appropriate financial 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 staff’s memorandum dated July 22, 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 both the current monthly and total amount 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 17: Should Sunny Shores 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. Sunny Shores should be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission’s decision. Sunny Shores should submit a letter within 90 days of the Commission’s final order in this docket, confirming that the adjustments to all applicable 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, a notice providing good cause should be filed not less than seven days prior to the deadline. Upon providing a notice of good cause, staff should be given administrative authority to grant an extension of up to 60 days.

ITEM NO.

CASE

3**PAA

Docket No. 20200230-WU – Application for staff-assisted rate case in Manatee County by Sunny Shores Utilities, LLC.

(Continued from previous page)

Issue 18: 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

4**PAA

Docket No. 20210116-WS – Petition for establishment of an approved AFUDC rate, by Utilities, Inc. of Florida.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: AFD: Mathis, D. Buys, Cicchetti

GCL: Osborn

Issue 1: Should the Commission approve UIF's request to decrease its AFUDC Rate from 9.03 percent to 6.43 percent?

Recommendation: Yes. The appropriate AFUDC rate for UIF is 6.43 percent based on a 12-month average capital structure for the period ended December 31, 2020.

Issue 2: What is the appropriate monthly compounding rate to achieve the requested 6.43 percent annual AFUDC rate?

Recommendation: The appropriate compounding rate to achieve an annual AFUDC rate of 6.43 percent is 0.520662 percent.

Issue 3: Should the Commission approve UIF's requested effective date of January 1, 2021, for implementing the revised AFUDC rate?

Recommendation: Yes. The revised AFUDC rate should be effective January 1, 2021, for all purposes.

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

5**

Docket No. 20200210-SU – Notice of abandonment of wastewater system in Polk County, by Crooked Lake Park Sewerage Company, effective March 25, 2021.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Graham

Staff: ENG: M. Watts, Ramos

ECO: Kunkler

GCL: Trierweiler

Issue 1: Should the Commission acknowledge the abandonment of the utility system by Crooked Lake Park Sewerage Company and the appointment of Polk County as receiver, and cancel Certificate No. 517-S?

Recommendation: Yes. The Commission should acknowledge the abandonment of Crooked Lake pursuant to Section 367.165, F.S., and appointment of Polk County as the receiver for the Utility. Certificate No. 517-S should be cancelled effective March 25, 2021.

Issue 2: Should this docket be closed?

Recommendation: Yes. If the Commission approves staff's recommendation in Issue 1, this docket should be closed because no further action is necessary.

ITEM NO.

CASE

6**

Docket No. 20210038-WS – Joint notice of abandonment of water and wastewater systems in Charlotte and DeSoto Counties by Sun River Utilities, Inc. and North Charlotte Waterworks, Inc., effective February 21, 2021.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Passidomo

Staff: ENG: Maloy, Ramos

GCL: Osborn, J. Crawford

Issue 1: Should the Commission acknowledge the joint notice of abandonment by North Charlotte Waterworks, Inc., and Sun River Utilities, Inc., and the appointment of Michael Smallridge as receiver?

Recommendation: Yes. The Commission should acknowledge the joint notice of abandonment by North Charlotte and Sun River, pursuant to Section 367.165, F.S., and appointment of Michael Smallridge as receiver.

Issue 2: Should this docket be closed?

Recommendation: Yes. If the Commission approves staff's recommendation in Issue 1, this docket should be closed, as no further action is necessary.

ITEM NO.

CASE

7**

Docket No. 20210059-WS – Application for amendment of Certificate Nos. 669-W and 571-S to add territory in Sumter and Lake Counties, by South Sumter Utility Company, LLC.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: La Rosa

Staff: ENG: M. Watts

ECO: Bruce, Hudson

GCL: Trierweiler

Issue 1: Should the Commission approve South Sumter Utility Company, LLC's application for amendment of Certificate Nos. 669-W and 571-S to extend its water and wastewater territory in Sumter and Lake Counties?

Recommendation: Yes. The Commission should amend Certificate Nos. 669-W and 571-S to include the territory as described in Attachment A of staff's memorandum dated July 22, 2021, effective the date of the Commission's vote. The resultant order should serve as SSU's amended certificate and should be retained by the Utility. The Utility should charge future customers in the territory added herein the rates and charges contained in its current tariffs until a change is authorized by the Commission in a subsequent proceeding.

Issue 2: Should this docket be closed?

Recommendation: If the Commission approves staff's recommendation, no further action will be necessary, and this docket should be closed upon issuance of the order.

ITEM NO.

CASE

8**PAA

Docket No. 20210109-WS – Application for amendment of Certificates 496-W and 465-S to extend territory in Lake County, by Utilities, Inc. of Florida.

Critical Date(s): 08/30/21 (90-Day Rule Waiver Statutory Deadline)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ENG: M. Watts

ECO: Bethea, Hudson

GCL: Trierweiler

Issue 1: Should the Commission approve Utilities, Inc. of Florida’s request for a partial waiver of Rule 25-30.030(5)(b), 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 Rule 25-30.030(5)(b), F.A.C., would place a substantial hardship on the Utility. Therefore, staff recommends that the Commission approve UIF’s request for a partial waiver or waiver of Rule 25-30.030(5)(b), F.A.C. Staff further recommends that the Utility should be required to post notice of its Application on its website to provide all UIF customers notice of the Utility’s proposed actions.

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. This docket should remain open pending the Commission’s final decision regarding the Utility’s Application for an amendment of UIF’s Certificates 496-W and 465-S in Lake County, Florida.

ITEM NO.

CASE

9

Docket No. 20210119-SU – Application for establishment of wastewater allowance for funds prudently invested (AFPI) charges in Lake County, by Utilities, Inc. of Florida.

Critical Date(s): 08/23/21 (60-Day Suspension Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Sibley, Bethea, Bruce, Hudson

GCL: Osborn

(Tariff Suspension - Participation is at the Commission's discretion.)

Issue 1: Should the Commission suspend UIF's proposed tariff of revised AFPI charges for the LUSI wastewater system?

Recommendation: Yes. UIF's proposed tariff to establish AFPI charges for its LUSI wastewater system should be suspended.

Issue 2: Should this docket be closed?

Recommendation: No. The docket should remain open pending the Commission's final action on UIF's requested approval to revise existing AFPI wastewater charges for the LUSI wastewater system.