

FLORIDA PUBLIC SERVICE COMMISSION

COMMISSION CONFERENCE AGENDA

CONFERENCE DATE AND TIME: Tuesday, October 12, 2021, 9:30 a.m.

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

DATE ISSUED: October 1, 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.

To participate informally, affected persons need only appear at the conference and request the opportunity to address the Commission on an item listed on the agenda. Informal participation is not permitted: (1) on dispositive motions and motions for reconsideration; (2) when a recommended order is taken up by the Commission; (3) in a rulemaking proceeding after the record has been closed; or (4) when the Commission considers a post-hearing recommendation on the merits of a case after the close of the record. The Commission allows informal participation at its discretion in certain types of cases (such as declaratory statements and interim rate orders) in which an order is issued based on a given set of facts without hearing. See Florida Administrative Code Rules 25-22.0021 (agenda conference participation) and 25-22.0022 (oral argument).

Conference agendas, staff recommendations, vote sheets, and transcripts are available online at <http://www.floridapsc.com>, by selecting *Conferences & Meeting Agendas* and *Commission Conferences of the FPSC*. An official vote of "move staff" denotes that the Item's recommendations were approved.

In accordance with the Americans with Disabilities Act, persons needing a special accommodation to participate at this proceeding should contact the Office of Commission Clerk no later than five days prior to the conference at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850 or 850-413-6770 (Florida Relay Service, 1-800-955-8770 Voice or 1-800-955-8771 TDD). Assistive Listening Devices are available upon request from the Office of Commission Clerk, Gerald L. Gunter Building, Room 152.

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If you have any questions, contact the Office of Commission Clerk at 850-413-6770 or Clerk@psc.state.fl.us.

Table of Contents
 Commission Conference Agenda
 October 12, 2021

1**	Consent Agenda	1
2	Docket No. 20210049-TP – Request for submission of proposals for relay service, beginning in March 2022, for the deaf, hard of hearing, deaf/blind, or speech impaired, and other implementation matters in compliance with the Florida Telecommunications Access System Act of 1991.	2
3**	Docket No. 20210122-WS – Proposed amendment of Rules 25-30.025, 25-30.4345, 25-30.445, 25-30.446, 25-30.455, 25-30.456, and 25-30.565, F.A.C., related to water and wastewater utilities.	3
4**PAA	Docket No. 20210101-SU – Request to establish a regulatory asset to recover appellate costs, by K W Resort Utilities Corp.	4
5**PAA	Docket No. 20210107-EI – Petition for limited proceeding to true-up third SoBRA, by Tampa Electric Company.	5
6**PAA	Docket No. 20210043-WU – Application to transfer facilities and water Certificate No. 652-W in Marion County from Arma Water Service, LLC to Leighton Estates Utilities, LLC.	6
7	Docket No. 20210147-GU – Joint petition for approval of swing service rider rates for January through December 2022, by Florida Public Utilities Company, Florida Public Utilities Company-Indiantown Division, Florida Public Utilities Company-Fort Meade, and Florida Division of Chesapeake Utilities Corporation.	8
8	Docket No. 20210150-GU – Joint petition for approval to implement gas reliability infrastructure program (GRIP) cost recovery factors for January 2022 through December 2022 by Florida Public Utilities Company, Florida Public Utilities Company-Fort Meade and the Florida Division of Chesapeake Utilities Corporation.	9
9	Docket No. 20200226-SU – Application for certificate to provide wastewater service in Charlotte County, by Environmental Utilities, LLC.	10

ITEM NO.

CASE

- 1** **Consent Agenda**
- PAA A) Application for Certificate of Authority to Provide Telecommunications Service.
- | <u>DOCKET NO.</u> | <u>COMPANY NAME</u> |
|-------------------|---------------------|
| 20210146-TX | Wire 3 LLC |
- PAA B) Docket No. 20210127-EI - Application for authority to issue and sell securities during calendar years 2022 and 2023, pursuant to Section 366.04, F.S., and Chapter 25-8, F.A.C., by Florida Power & Light Company and Florida City Gas.

Recommendation: The Commission should approve the actions requested in the dockets referenced above and close Docket No. 20210146-TX. For monitoring purposes, Docket No. 20210127-EI should remain open until May 5, 2023, to allow the Company time to file the required Consummation Report.

ITEM NO.

CASE

2

Docket No. 20210049-TP – Request for submission of proposals for relay service, beginning in March 2022, for the deaf, hard of hearing, deaf/blind, or speech impaired, and other implementation matters in compliance with the Florida Telecommunications Access System Act of 1991.

Critical Date(s): Current contract expires on February 28, 2022.

Commissioners Assigned: All Commissioners

Prehearing Officer: La Rosa

Staff: IDM: Williams

GCL: Murphy, Imig

(Participation is limited to Commissioners and Staff.)

Issue 1: Who should be awarded the Florida relay service provider contract?

Recommendation: Based upon the RFP evaluation process, staff recommends the Commission select Sprint as the relay service provider and direct the Commission's Executive Director or designee to: (1) issue the attached letter of intent to Sprint and Hamilton (Attachment A of staff's memorandum dated September 30, 2021); (2) provide notice on the Florida Department of Management Services Vendor Bid System of the Commission's decision to award a three-year contract to provide the statewide relay service in Florida to Sprint; and (3) finalize and sign a contract with Sprint to provide the relay service.

Issue 2: Should this docket be closed?

Recommendation: No. This docket should remain open for the life of the contract.

ITEM NO.

CASE

3**

Docket No. 20210122-WS – Proposed amendment of Rules 25-30.025, 25-30.4345, 25-30.445, 25-30.446, 25-30.455, 25-30.456, and 25-30.565, F.A.C., related to water and wastewater utilities.

Rule Status: Proposed

Commissioners Assigned: All Commissioners

Prehearing Officer: La Rosa

Staff: GCL: Cowdery

AFD: T. Brown, Bulecza-Banks

ECO: Hudson, Sibley, Guffey

(Rule Proposal May Be Deferred)

Issue 1: Should the Commission propose the amendment of Rules 25-30.025, 25-30.4345, 25-30.445, 25-30.446, 25-30.455, 25-30.456, and 25-30.565, F.A.C.?

Recommendation: Yes, the Commission should propose the amendment of Rules 25-30.025, 25-30.4345, 25-30.445, 25-30.446, 25-30.455, 25-30.456, and 25-30.565, F.A.C., as set forth in Attachment A of staff's memorandum dated September 30, 2021. The Commission should also certify Rules 25-30.025, 25-30.4345, 25-30.445, 25-30.446, 25-30.455, 25-30.456, and 25-30.565, F.A.C., as 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 rules should be filed with the Department of State, and the docket should be closed.

ITEM NO.

CASE

4**PAA

Docket No. 20210101-SU – Request to establish a regulatory asset to recover appellate costs, by K W Resort Utilities Corp.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Passidomo

Staff: AFD: Thurmond, Norris

GCL: Trierweiler

Issue 1: Should the Commission grant KWRU's motion for appellate rate case expense and to treat such expense as a regulatory asset?

Recommendation: The Commission should approve KWRU's request to establish a regulatory asset for the accounting purpose of recording the deferral of costs associated with appellate rate case expense. The approval to establish a regulatory asset, for accounting purposes, does not limit the Commission's ability to review the amounts, recovery method, recovery period, and other related matters for reasonableness in a future proceeding in which the regulatory asset is included.

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

5**PAA

Docket No. 20210107-EI – Petition for limited proceeding to true-up third SoBRA, by Tampa Electric Company.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Passidomo

Staff: ENG: Wooten, Ellis, King

AFD: Brown, Higgins, Mouring

ECO: Kunkler, Smith II

GCL: Trierweiler

Issue 1: What are the actual total costs for TECO’s Third SoBRA projects?

Recommendation: The actual total costs for TECO’s Third SoBRA projects are as listed in Table 1-3 of staff’s memorandum dated September 30, 2021. However, Wimauma Solar, with an actual installed cost of \$1,537/kilowatt-alternative current (kW_{ac}), exceeds the \$1,500/kW_{ac} cost cap provision of the 2017 Settlement. Therefore, TECO’s recovery of installed costs for Wimauma Solar should be limited to \$112,200,000 through the SoBRA Mechanism.

Issue 2: What is the adjusted annual revenue requirement for TECO’s Third SoBRA projects?

Recommendation: The adjusted cumulative annual revenue requirement associated with TECO’s Third SoBRA Project is \$26,612,000.

Issue 3: What is the appropriate true-up amount that should be reflected in the Capacity Cost Recovery Clause (CCRC), pursuant to paragraph 6(n) of the 2017 Settlement?

Recommendation: Staff recommends the appropriate net true-up amount (Total True-up) associated with the Third SoBRA Project that should be reflected in the CCRC, pursuant to subparagraph 6(n) of the 2017 Settlement, is a credit of \$4,155,553. After accounting for the preliminary Third SoBRA-related credit of \$4,069,905 in 2020, the net amount owed to customers is \$85,648. The Remaining Net True-up amount of \$85,648 has been reflected in TECO’s proposed 2022 Capacity Cost Recovery rates.

Issue 4: 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 order, this docket should be closed upon the issuance of a consummating order.

ITEM NO.

CASE

6**PAA

Docket No. 20210043-WU – Application to transfer facilities and water Certificate No. 652-W in Marion County from Arma Water Service, LLC to Leighton Estates Utilities, LLC.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: La Rosa

Staff: ENG: Lewis, Ramos
AFD: Blocker, Norris
ECO: Bethea
GCL: Stiller

(Proposed Agency Action for Issues 2 through 4.)

Issue 1: Should the transfer of Certificate No. 652-W from Arma Water Service, LLC to Leighton Estates Utilities, LLC be approved?

Recommendation: Yes. The transfer of the water system and Certificate No. 652-W is in the public interest and should be approved effective the date of the Commission’s vote. The resultant order should serve as the Buyer’s certificate and should be retained by the Buyer. The existing rates and charges should remain in effect until a change is authorized by the Commission in a subsequent proceeding. The tariffs reflecting the transfer should be effective for services rendered or connections made on or after the stamped approval date on the tariffs pursuant to Rule 25-30.475, Florida Administrative Code (F.A.C.). The Utility is current with respect to annual reports and Regulatory Assessment Fees (RAFs) through December 31, 2020, and the Buyer should be responsible for all future years.

Issue 2: What is the appropriate net book value for the Leighton Estates Utilities, LLC water system for transfer purposes, and should an acquisition adjustment be approved?

Recommendation: The appropriate net book value (NBV) of the water system for transfer purposes is \$274,981, as of January 1, 2021. Within 90 days of the date of the final order, the Utility 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 Utility’s 2021 Annual Report when filed.

Issue 3: Should an acquisition adjustment be recognized for ratemaking purposes?

Recommendation: Yes. Pursuant to Rule 25-30.0371(3), F.A.C., a negative acquisition adjustment of \$47,985 should be recognized for ratemaking purposes. Beginning with the date of the issuance of the order approving the transfer, half of the negative acquisition adjustment should be amortized over a 7-year period and the other half amortized over the remaining life of the Utility’s assets or 20 years, in accordance with Rule 25-30.0371(4)(b)1, F.A.C.

ITEM NO.

CASE

6**PAA

Docket No. 20210043-WU – Application to transfer facilities and water Certificate No. 652-W in Marion County from Arma Water Service, LLC to Leighton Estates Utilities, LLC.

(Continued from previous page)

Issue 4: Should the miscellaneous service charges be revised to reflect Leighton Estates Utilities, LLC’s request for late payment and non-sufficient funds (NSF) charges, as well as to conform to amended Rule 25-30.460, F.A.C.?

Recommendation: Yes. The Utility’s request to add a \$5.00 late payment charge and NSF charges to its miscellaneous service charges should be approved. In addition, staff recommends the miscellaneous service charges be revised to conform to the recent amendment to Rule 25-30.460, F.A.C. The recommended miscellaneous service charges are shown on Schedule No. 3 of staff’s memorandum dated September 30, 2021. The Utility should be required to file a proposed customer notice to reflect the Commission-approved charges. The approved charges 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 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 upon Commission staff’s verification that the revised tariff sheets have been filed, the Buyer has notified the Commission in writing that it has adjusted its books in accordance with the Commission’s decision, and proof that appropriate noticing has been done pursuant to Rule 25-30.4345, F.A.C.

ITEM NO.

CASE

7

Docket No. 20210147-GU – Joint petition for approval of swing service rider rates for January through December 2022, by Florida Public Utilities Company, Florida Public Utilities Company-Indiantown Division, Florida Public Utilities Company-Fort Meade, and Florida Division of Chesapeake Utilities Corporation.

Critical Date(s): 10/31/21 (60-Day Suspension Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Guffey

GCL: Sandy, J. Crawford

(Tariff Filing - Participation is at the Commission's Discretion.)

Issue 1: Should the Commission suspend the Companies' proposed revised Swing Service Rider Rates and associated tariffs for the period January through December 2022?

Recommendation: Yes. Staff recommends that the Companies' proposed revised Swing Service Rider Rates and associated tariffs for the period January through December 2022 be suspended to allow staff sufficient time to review the petition and gather all pertinent information in order to present the Commission with an informed recommendation on the tariff proposals.

Issue 2: Should this docket be closed?

Recommendation: No. This docket should remain open pending the Commission decision on the proposed revised tariffs.

ITEM NO.

CASE

8

Docket No. 20210150-GU – Joint petition for approval to implement gas reliability infrastructure program (GRIP) cost recovery factors for January 2022 through December 2022 by Florida Public Utilities Company, Florida Public Utilities Company-Fort Meade and the Florida Division of Chesapeake Utilities Corporation.

Critical Date(s): 10/31/21 (60-Day Suspension Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Hampson

GCL: Sandy, J. Crawford

(Tariff Filing - Participation is at the Commission's Discretion.)

Issue 1: Should the Commission suspend the Companies' proposed revised GRIP cost recovery factors and associated tariffs for the period January through December 2022?

Recommendation: Yes. Staff recommends that the Companies' proposed revised GRIP cost recovery factors and associated tariffs for the period January through December 2022 be suspended to allow staff sufficient time to review the petition and gather all pertinent information in order to present the Commission with an informed recommendation on the tariff proposals.

Issue 2: Should this docket be closed?

Recommendation: No. This docket should remain open pending the Commission decision on the proposed revised tariffs.

ITEM NO.

CASE

9

Docket No. 20200226-SU – Application for certificate to provide wastewater service in Charlotte County, by Environmental Utilities, LLC.

Critical Date(s): None

Commissioners Assigned: Clark, Passidomo, La Rosa

Prehearing Officer: La Rosa

Staff: ENG: Kistner, Ellis, King, Thompson

AFD: Norris, Thurmond

ECO: Bruce, Hudson

GCL: Osborn, J. Crawford

(Request for Oral Argument (Issue 1), Motion for Partial Summary Final Order (Issue 2), Motion to Dismiss Application (Issue 3) - Oral Argument Requested for Motion for Partial Summary Final Order and Not Requested for Motion to Dismiss - Participation is at the Commission's Discretion)

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

Recommendation: No, staff recommends that the pleadings are sufficient on their face for the Commission to render a decision on the Motion for Partial Summary Final Order (Issue 2) and Motion to Dismiss (Issue 3). However, if oral argument would aid the Commission in evaluating the issues to be decided, the parties should be allowed five (5) minutes each for oral argument for the respective pending motions.

Issue 2: Should EU's Motion for Partial Summary Final Order be granted?

Recommendation: No. Based on staff's review of EU's Motion, it appears that the Motion does not establish an absence of any genuine issue of material fact as to the need for service. Therefore, EU's Motion for Partial Summary Final Order should be denied.

Issue 3: Should Mr. Hurst's Motion to Dismiss be granted?

Recommendation: No. Based on staff's review of Mr. Hurst's Motion to Dismiss, it appears that the Motion to Dismiss does not address whether EU's application states a cause of action upon which relief may be granted. There is also already an administrative hearing scheduled in this docket. Therefore, Mr. Hurst's Motion to Dismiss should be denied.

Issue 4: Should this docket be closed?

Recommendation: No. The docket should remain open pending the Commission's action on the Utility's application for an original wastewater certificate.