

# FLORIDA PUBLIC SERVICE COMMISSION

## COMMISSION CONFERENCE AGENDA

**CONFERENCE DATE AND TIME:** Tuesday, January 11, 2022, 9:30 a.m.

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

**DATE ISSUED:** December 29, 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.

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

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

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

The Commission Conference has a live video broadcast the day of the conference, which is available from the FPSC website. Upon completion of the conference, the archived video will be available from the website by selecting *Conferences & Meeting Agendas*, then *Audio and Video Event Coverage*.

**EMERGENCY CANCELLATION OF CONFERENCE:** If a named storm or other disaster requires cancellation of the Conference, Commission staff will attempt to give timely notice. Notice of cancellation will be provided on the Commission's website (<http://www.floridapsc.com>) under the Hot Topics link on the home page. Cancellation can also be confirmed by calling the Office of Commission Clerk at 850-413-6770.

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

Table of Contents  
Commission Conference Agenda  
January 11, 2022

1**	<b>Consent Agenda</b> .....	1
2**	<b>Docket No. 20210171-TX</b> – Petition for partial relinquishment of eligible telecommunications carrier (ETC) designation in Florida, by Bright House Networks Information Services (Florida), LLC.....	2
3**	<b>Docket No. 20210125-WS</b> – Application for amendment of Certificate Nos. 677-W and 577-S to delete territory in Lake and Sumter Counties, by Gibson Place Utility Company, LLC.....	3
4	<b>Docket No. 20210180-EI</b> – Petition for authority to reinstate the non-firm energy program and tariff, Florida Public Utilities Company.....	4
5**PAA	<b>Docket No. 20210055-WU</b> – Application for staff-assisted rate case in Lake County by Brendenwood Waterworks, Inc.....	5
6**	<b>Docket No. 20210119-SU</b> – Application for establishment of wastewater allowance for funds prudently invested (AFPI) charges in Lake County, by Utilities, Inc. of Florida.....	9

**ITEM NO.**

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**CASE**

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1\*\*

**Consent Agenda**

PAA

A) Docket No. 20210187-GU - Application for authorization to issue common stock, preferred stock and secured and/or unsecured debt, and to enter into agreements for interest rate swap products and other financial derivatives in 2022, by Chesapeake Utilities Corporation.

**Recommendation:** The Commission should approve the action requested in the docket referenced above. For monitoring purposes, this docket should remain open until May 5, 2023, to allow the Utility time to file the required Consummation Report

**ITEM NO.**

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**CASE**

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2\*\*

**Docket No. 20210171-TX** – Petition for partial relinquishment of eligible telecommunications carrier (ETC) designation in Florida, by Bright House Networks Information Services (Florida), LLC.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** La Rosa

**Staff:** IDM: Wendel, Fogleman, Yglesias de Ayala

GCL: Weisenfeld

**Issue 1:** Should the Commission approve Bright House’s request for partial relinquishment of its ETC designation?

**Recommendation:** Yes. The Commission should approve Bright House’s request for partial relinquishment of its 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 order, this docket should be closed upon the issuance of a consummating order.

**ITEM NO.**

**CASE**

3\*\*

**Docket No. 20210125-WS** – Application for amendment of Certificate Nos. 677-W and 577-S to delete territory in Lake and Sumter Counties, by Gibson Place Utility Company, LLC.

**Critical Date(s):** None

**Commissioners Assigned:** Staff

**Prehearing Officer:** Administrative

**Staff:** ENG: Lewis

GCL: Sandy, J. Crawford

**Issue 1:** Should the Commission approve GPU's application for amendment of Certificate Nos. 677-W and 577-S to delete territory from its certificated service area in Lake and Sumter Counties?

**Recommendation:** Yes. The Commission should approve the application filed by GPU to delete portions of its service territory, as reflected in Attachment A of staff's memorandum dated December 29, 2021, from its certificated service area. The resultant order should serve as GPU's amended certificate and should be retained by the Utility.

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

**Recommendation:** Yes. If staff's recommendation in Issue 1 is approved, no further action is required, and the docket should be closed.

**ITEM NO.**

**CASE**

4

**Docket No. 20210180-EI** – Petition for authority to reinstate the non-firm energy program and tariff, Florida Public Utilities Company.

**Critical Date(s):** 1/12/22 (60-Day Suspension Date)

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Administrative

**Staff:** ECO: Hampson, Coston

GCL: Lherisson

**(Tariff-Suspension - Participation is at the discretion of the Commission.)**

**Issue 1:** Should the Commission suspend FPUC's proposed Non-Firm Energy program and tariff?

**Recommendation:** Yes. Staff recommends that FPUC's proposed Non-Firm Energy program and tariff 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 proposal.

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

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

**ITEM NO.**

**CASE**

5\*\*PAA

**Docket No. 20210055-WU** – Application for staff-assisted rate case in Lake County by Brendenwood Waterworks, Inc.

**Critical Date(s):** 08/15/22 (15-Month Effective Date (SARC))

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** La Rosa

**Staff:** ECO: Bethea, Hudson

AFD: D. Brown, Casper, Richards

ENG: Lewis, Ramos

GCL: Jones, Trierweiler

**(Proposed Agency Action - Except for Issues 12, 13, and 14)**

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

**Recommendation:** Yes. The utility is passing all DEP primary and secondary standards and has been responsive to its customer complaints. Therefore, the quality of service provided by Brendenwood should be considered satisfactory.

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

**Recommendation:** Yes. Brendenwood's water system is currently in compliance with DEP regulations.

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

**Recommendation:** Brendenwood's WTP and water distribution system should be considered 100 percent U&U. Additionally, 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 Brendenwood?

**Recommendation:** The appropriate average test year rate base for Brendenwood is \$38,447.

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

**Recommendation:** The appropriate return on equity (ROE) is 7.85 percent with a range of 6.85 percent to 8.85 percent. The appropriate overall rate of return is 7.85 percent.

**Issue 6:** What are the appropriate amount of test year revenues for Brendenwood's water system?

**Recommendation:** The appropriate test year revenues for Brendenwood's water system are \$29,939.

**Issue 7:** What is the appropriate test year operating expense for Brendenwood?

**Recommendation:** The appropriate amount of operating expense for Brendenwood is \$32,034.

**ITEM NO.**

**CASE**

5\*\*PAA

**Docket No. 20210055-WU** – Application for staff-assisted rate case in Lake County by Brendenwood Waterworks, Inc.

(Continued from previous page)

**Issue 8:** What is the appropriate revenue requirement for Brendenwood?

**Recommendation:** The appropriate revenue requirement is \$35,052 resulting in an annual increase of \$5,113 (17.08 percent).

**Issue 9:** What are the appropriate rate structure and rates for Brendenwood's water system?

**Recommendation:** The recommended rate structure and monthly water rates are shown on Schedule No. 4 of staff's memorandum dated December 29, 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 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.

**Issue 10:** Should the requested initial customer deposits for Brendenwood be approved?

**Recommendation:** The appropriate initial customer deposit should be \$84 for the single family residential 5/8 inch x 3/4 inch meter size for water. The initial customer deposit 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 11:** Should the miscellaneous service charges be revised to conform to amended Rule 25-30.460, F.A.C.?

**Recommendation:** Yes. Staff recommends the miscellaneous service charges be revised to conform to the recent amendment to Rule 25-30.460, F.A.C. The tariff should be revised to reflect the removal of initial connection and normal reconnection charges. Brendenwood 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.



**ITEM NO.**

**CASE**

5\*\*PAA

**Docket No. 20210055-WU** – Application for staff-assisted rate case in Lake County by Brendenwood Waterworks, Inc.

(Continued from previous page)

**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 as required by Section 367.081(8), F.S.?

**Recommendation:** The rates should be reduced as shown on Schedule No. 4 of staff’s memorandum dated December 29, 2021, 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. Brendenwood should be required to file revised tariffs and a proposed customer notice setting forth the lower rates and rationale no later than one month prior to the effective date of the new rates. If the utility files revised tariffs reflecting 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.

**Issue 13:** Should the recommended rates be approved for Brendenwood 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. Brendenwood 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 the staff analysis section of staff’s memorandum dated December 29, 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.

**ITEM NO.**

**CASE**

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5\*\*PAA

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**Docket No. 20210055-WU** – Application for staff-assisted rate case in Lake County by Brendenwood Waterworks, Inc.

(Continued from previous page)

**Issue 14:** Should Brendenwood 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. Brendenwood should be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission’s decision. Brendenwood 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

**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. This docket should remain open for staff’s verification that the revised tariff sheets and customer notices 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. Upon staff’s approval of the tariff sheets and customer notices, along with staff’s completion of its review of the recommended reporting information, this docket should be closed administratively if no adjustments are necessary.

**ITEM NO.**

**CASE**

6\*\*

**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):** 03/19/22 (8-Month Effective Date)

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Administrative

**Staff:** ECO: Hudson

GCL: Osborn

**(Tariff Filing)**

**Issue 1:** Should UIF’s request to revise its existing AFPI charges for LUSI’s wastewater system be approved, and, if so, what are the appropriate AFPI charges?

**Recommendation:** No, UIF’s request to revise its existing AFPI charges for LUSI’s wastewater system should be denied. The existing tariff should be revised to reflect that the utility has no remaining equivalent residential connections (ERCs) upon which to collect AFPI charges. The tariff should remain in effect only to allow the utility to true-up any prepaid AFPI charges to coincide with the connection to the system.

**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 proposed tariff should be placed into effect, 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.