# FLORIDA PUBLIC SERVICE COMMISSION COMMISSION CONFERENCE AGENDA

**CONFERENCE DATE AND TIME:** Tuesday, November 1, 2022, 9:30 a.m.

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

**DATE ISSUED:** October 25, 2022\*

# **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.

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<sup>\*</sup>Revised to insert revised recommendation for Item 5.

1**	Consent Agenda						
2**PAA	<b>Docket No. 20220162-EI</b> – Request for approval of change in rate used to account for allowance for funds used during construction (AFUDC) from 5.98% to 6.09%, effective July 1, 2022, by Tampa Electric Company						
3**	<b>Docket No. 20220165-EI</b> – Petition for limited proceeding to approve refund and rate reduction resulting from implementation of Inflation Reduction Act, by Florida Power & Light Company.						
4	<ul> <li>Docket No. 20200241-EI – Petition for limited proceeding for recovery of incremental storm restoration costs related to Hurricane Sally, by Gulf Power Company.</li> <li>Docket No. 20210178-EI – Petition for evaluation of Hurricane Isaias and Tropical Storm Eta storm costs, by Florida Power &amp; Light Company.</li> <li>Docket No. 20210179-EI – Petition for limited proceeding for recovery of incremental storm restoration costs and associated true-up process related to Hurricane Zeta, by Gulf Power Company.</li> </ul>						
5**PAA	<b>Docket No. 20200185-WS</b> – Application for certificates to provide water and wastewater service in Lake and Sumter Counties, by Gibson Place Utility Company, LLC.						
6**	<b>Docket No. 20220092-WS</b> – Notice of abandonment of water and wastewater systems in Charlotte County by Sun River Utilities, Inc						
7**	<b>Docket No. 20220161-EI</b> – Petition to adjust clean energy transition mechanism to reflect revised authorized return on equity, by Tampa Electric Company 21						
8**PAA	<b>Docket No. 20220144-GU</b> – Joint petition for approval of firm transportation between Florida Public Utilities Company and Peninsula Pipeline Company, Inc. to reflect expansion of Wildlight development in Nassau County						
9**	<b>Docket No. 20220155-GU</b> – Joint petition for approval of GRIP cost recovery factors, by Florida Public Utilities Company, Florida Public Utilities Company-Fort Meade, and Florida Division of Chesapeake Utilities Corporation						
10**	<b>Docket No. 20220153-GU</b> – Petition for approval of safety, access, and facility enhancement program true-up and 2023 cost recovery factors, by Florida City Gas.						
11**	<b>Docket No. 20220152-GU</b> – Petition for approval of 2021 true-up, projected 2022 true-up, and 2023 revenue requirements and surcharges associated with cast iron/bare steel pipe replacement rider, by Peoples Gas System						
12**PAA	<b>Docket No. 20220159-GU</b> – Joint petition by Peoples Gas System and Florida Public Utilities Company for approval of special contract						

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13**	Docket No. 20220154-GU – Joint petition for approval of swing service rider
	rates for January through December 2023, by Florida Public Utilities Company,
	Florida Public Utilities Company-Indiantown Division, Florida Public Utilities
	Company-Fort Meade, and Florida Division of Chesapeake Utilities Corporation.
	27
14**	<b>Docket No. 20220147-SU</b> – Application for approval of a new classes of service
	for bulk wastewater service in Pasco County, by Ni Florida, Inc

ITEM NO. CASE

1\*\* Consent Agenda

**PAA** 

A) Docket No. 20220160-EI - Application for authority to issue and sell securities during 12 months ending December 31, 2023, by Duke Energy Florida, LLC.

**Recommendation:** The Commission should approve the action requested in the docket referenced above. For monitoring purposes, this docket should remain open until May 3, 2024, to allow the Company time to file the required Consummation Report.

ITEM NO. CASE

2\*\*PAA

**Docket No. 20220162-EI** – Request for approval of change in rate used to account for allowance for funds used during construction (AFUDC) from 5.98% to 6.09%, effective July 1, 2022, by Tampa Electric Company.

Critical Date(s): None

**Commissioners Assigned:** All Commissioners **Prehearing Officer:** Administrative

Staff: AFD: D. Buys, Mouring

GCL: Dose

<u>Issue 1:</u> Should the Commission approve Tampa Electric's request to increase its AFUDC rate from 5.98 percent to 6.07 percent?

**Recommendation:** Yes. The appropriate AFUDC rate for Tampa Electric is 6.07 percent based on a 13-month average capital structure for the period ended June 30, 2022. **Issue 2:** What is the appropriate monthly compounding rate to achieve the requested 6.07 percent annual AFUDC rate?

**Recommendation:** The appropriate monthly compounding rate to achieve an annual AFUDC rate of 6.07 percent is 0.004923.

<u>Issue 3:</u> Should the Commission approve Tampa Electric's requested effective date of July 1, 2022, for implementing the revised AFUDC rate?

**Recommendation:** Yes. The revised AFUDC rate should be effective July 1, 2022, 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

3\*\*

**Docket No. 20220165-EI** – Petition for limited proceeding to approve refund and rate reduction resulting from implementation of Inflation Reduction Act, by Florida Power & Light Company.

Critical Date(s): Tariff 60-Day Suspension Date 11/22/22

2021 Settlement Agreement Date 11/14/22

Commissioners Assigned: All Commissioners

**Prehearing Officer:** Graham

Staff: AFD: D. Buys, Cordell, Higgins, Mouring

ECO: Draper GCL: Brownless

#### (Tariff Filing)

<u>Issue 1:</u> Should the Commission approve FPL's calculation of the tax savings associated with the IRA for 2022?

**Recommendation:** Yes. The Commission should approve FPL's calculations for the net tax savings of \$25,043,705 for 2022 resulting from the Company's election to use PTCs instead of ITCs as allowed by the IRA.

<u>Issue 2:</u> Should the Commission approve FPL's request to flow back to customers the full 2022 tax reform impact through a one-time reduction to its Capacity Cost Recovery Clause (CCR) factors in January 2023?

**Recommendation:** Yes. Staff recommends the Commission approve a refund of \$25,043,705 in January 2023 through a one-time reduction to FPL's CCR factors.

<u>Issue 3:</u> Should the Commission approve FPL's calculation of the projected tax savings associated with the IRA for 2023?

**Recommendation:** Yes. The Commission should approve FPL's calculations of net tax savings of \$69,743,460 for 2023 resulting from the Company's election to use PTCs instead of ITCs as allowed by the IRA.

<u>Issue 4:</u> Should the Commission approve FPL's request to flow back to customers the projected 2023 tax savings through a reduction to base rates beginning January 1, 2023?

**Recommendation:** Yes. The Commission should approve FPL's request to flow back to customers the projected net \$69,743,460 tax savings through a reduction to base rates beginning January 1, 2023.

<u>Issue 5:</u> Should the Commission approve FPL's revised tariffs to implement the IRA base revenue decrease effective January 2023?

**Recommendation:** Yes. The Commission should approve FPL's revised tariffs to implement the IRA base revenue decrease effective January 2023. The revised tariffs are shown in Attachment A of staff's memorandum dated October 20, 2022.

ITEM NO. CASE

3\*\*

**Docket No. 20220165-EI** – Petition for limited proceeding to approve refund and rate reduction resulting from implementation of Inflation Reduction Act, by Florida Power & Light Company.

(Continued from previous page)

**Issue 6:** Should this docket be closed?

**Recommendation:** Yes. At the conclusion of the protest period, if no protest is filed this docket should be closed upon the issuance of a consummating order. If a protest is filed within 21 days of the issuance of the order, the tariffs should remain in effect, subject to adjustment, pending the resolution of the protest.

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

**Docket No. 20210178-EI** – Petition for evaluation of Hurricane Isaias and Tropical Storm Eta storm costs, by Florida Power & Light Company.

**Docket No. 20210179-EI** – Petition for limited proceeding for recovery of incremental storm restoration costs and associated true-up process related to Hurricane Zeta, by Gulf Power Company.

Critical Date(s): None

Commissioners Assigned: All Commissioners

**Prehearing Officer:** Graham

Staff: AFD: Snyder, Norris

ECO: Draper

ENG: P. Buys, D. Phillips GCL: Stiller, J. Crawford

#### (Post-Hearing Decision - Participation is Limited to Commissioners and Staff)

<u>Issue 1:</u> Should the incremental cost and capitalization approach (ICCA) found in Rule 25-6.0143, F.A.C., be used to determine the reasonable and prudent amounts to be included in the restoration costs?

- a. Docket No. 20200241-EI for Gulf's Hurricane Sally.
- b. Docket No. 20210178-EI for FPL's Hurricane Isaias.
- c. Docket No. 20210178-EI for FPL's Tropical Storm Eta.
- d. Docket No. 20210179-EI for Gulf's Hurricane Zeta.

**Recommendation:** Yes, in part. The ICCA found in Rule 25-6.0143, F.A.C., should be used, in part, to determine the reasonable and prudent incremental amounts to be included in the restoration costs. For Gulf, the ICCA in Rule 25-6.0143, F.A.C., should be used to determine the reasonable and prudent amounts to be included in the restoration costs that were charged to Account 228.1 for Hurricanes Sally and Zeta. For FPL, use of the ICCA methodology to determine incremental O&M costs is not applicable in evaluating storm restoration costs that were charged to base O&M expense for Hurricane Isaias and Tropical Storm Eta.

4

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

**Docket No. 20210178-EI** – Petition for evaluation of Hurricane Isaias and Tropical Storm Eta storm costs, by Florida Power & Light Company.

**Docket No. 20210179-EI** – Petition for limited proceeding for recovery of incremental storm restoration costs and associated true-up process related to Hurricane Zeta, by Gulf Power Company.

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<u>Issue 2:</u> What is the reasonable and prudent amount of regular payroll expense to be included in the restoration costs?

- a. Docket No. 20200241-EI for Gulf's Hurricane Sally.
- b. Docket No. 20210178-EI for FPL's Hurricane Isaias.
- c. Docket No. 20210178-EI for FPL's Tropical Storm Eta.
- d. Docket No. 20210179-EI for Gulf's Hurricane Zeta.

**Recommendation:** Staff recommends the total amounts of regular payroll expense to be included in storm restoration costs, as reflected in the table below.

	Incren	nental		Non-		
Utility/Storm	Recovered through Storm Restoration Surcharge	Charged to Base O&M Expense	Capitalized	Incremental (Charged to Base O&M Expense)	Total	
Gulf—Sally	\$986,000	\$-	\$-	\$1,100,000	\$2,086,000	
FPL—Isaias	\$-	\$255,000	\$-	\$416,000	\$671,000	
FPL—Eta	\$-	\$1,480,000	\$3,000	\$846,000	\$2,329,000	
Gulf—Zeta	\$132,000	\$-	\$37,000	\$135,000	\$304,000	

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

**Docket No. 20210178-EI** – Petition for evaluation of Hurricane Isaias and Tropical Storm Eta storm costs, by Florida Power & Light Company.

**Docket No. 20210179-EI** – Petition for limited proceeding for recovery of incremental storm restoration costs and associated true-up process related to Hurricane Zeta, by Gulf Power Company.

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<u>Issue 3:</u> What is the reasonable and prudent amount of overtime payroll expense to be included in the restoration costs?

- a. Docket No. 20200241-EI for Gulf's Hurricane Sally.
- b. Docket No. 20210178-EI for FPL's Hurricane Isaias.
- c. Docket No. 20210178-EI for FPL's Tropical Storm Eta.
- d. Docket No. 20210179-EI for Gulf's Hurricane Zeta.

**Recommendation:** Staff recommends the total amounts of overtime payroll expense to be included in storm restoration costs, as reflected in the table below.

	Incremental			
Utility/Storm	Recovered through Storm Restoration Surcharge	Charged to Base O&M Expense		
Gulf—Sally	\$3,200,000	\$-		
FPL—Isaias	\$-	\$4,700,000		
FPL—Eta	\$-	\$8,800,000		
Gulf—Zeta	\$339,000	\$-		

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

**Docket No. 20210178-EI** – Petition for evaluation of Hurricane Isaias and Tropical Storm Eta storm costs, by Florida Power & Light Company.

**Docket No. 20210179-EI** – Petition for limited proceeding for recovery of incremental storm restoration costs and associated true-up process related to Hurricane Zeta, by Gulf Power Company.

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<u>Issue 4:</u> What is the reasonable and prudent amount of contractor costs to be included in the restoration costs?

- a. Docket No. 20200241-EI for Gulf's Hurricane Sally.
- b. Docket No. 20210178-EI for FPL's Hurricane Isaias.
- c. Docket No. 20210178-EI for FPL's Tropical Storm Eta.
- d. Docket No. 20210179-EI for Gulf's Hurricane Zeta.

**Recommendation:** Staff recommends the total amounts of contractor costs to be included in storm restoration costs, as reflected in the table below.

	Inc	cremental			Total	
Utility/Storm	Recovered through Storm Restoration Surcharge	Charged to Base O&M Expense	Capitalized	Insurance		
Gulf—Sally	\$93,100,000	\$-	\$16,400,000	\$16,100,000	\$125,600,000	
FPL—Isaias	\$-	\$36,300,000	\$-	\$-	\$36,300,000	
FPL—Eta	\$-	\$77,370,000	\$30,000	\$-	\$77,400,000	
Gulf—Zeta	\$5,730,000	\$-	\$70,000	\$-	\$5,800,000	

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

**Docket No. 20210178-EI** – Petition for evaluation of Hurricane Isaias and Tropical Storm Eta storm costs, by Florida Power & Light Company.

**Docket No. 20210179-EI** – Petition for limited proceeding for recovery of incremental storm restoration costs and associated true-up process related to Hurricane Zeta, by Gulf Power Company.

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<u>Issue 5:</u> What is the reasonable and prudent amount of vegetation and line clearing costs to be included in the restoration costs?

- a. Docket No. 20200241-EI for Gulf's Hurricane Sally.
- b. Docket No. 20210178-EI for FPL's Hurricane Isaias.
- c. Docket No. 20210178-EI for FPL's Tropical Storm Eta.
- d. Docket No. 20210179-EI for Gulf's Hurricane Zeta.

**Recommendation:** Staff recommends the total amounts of vegetation and line clearing costs to be included in storm restoration costs, as reflected in the table below.

	Inc	cremental	Non-	Total	
Utility/Storm	Recovered through Storm Restoration Surcharge	Charged to Base O&M Expense	Incremental (Charged to Base O&M Expense)		
Gulf—Sally	\$26,600,000	\$-	\$700,000	\$27,300,000	
FPL—Isaias	\$-	\$11,800,000	\$1,200,000	\$13,000,000	
FPL—Eta	FPL—Eta \$-		\$-	\$11,200,000	
Gulf—Zeta	\$1,200,000	\$-	\$700,000	\$1,900,000	

4

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

**Docket No. 20210178-EI** – Petition for evaluation of Hurricane Isaias and Tropical Storm Eta storm costs, by Florida Power & Light Company.

**Docket No. 20210179-EI** – Petition for limited proceeding for recovery of incremental storm restoration costs and associated true-up process related to Hurricane Zeta, by Gulf Power Company.

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<u>Issue 6:</u> What is the reasonable and prudent amount of employee expenses to be included in the restoration costs?

- a. Docket No. 20200241-EI for Gulf's Hurricane Sally.
- b. Docket No. 20210178-EI for FPL's Hurricane Isaias.
- c. Docket No. 20210178-EI for FPL's Tropical Storm Eta.
- d. Docket No. 20210179-EI for Gulf's Hurricane Zeta.

**Recommendation:** Staff recommends that the total amount of employee expenses to be included in storm restoration costs is \$278,000 for Hurricane Sally, \$14,000 for Hurricane Isaias, \$37,000 for Tropical Storm Eta, and \$53,000 for Hurricane Zeta. All employee expenses are non-incremental costs, are not recoverable under the ICCA methodology, and should be charged to base O&M expense.

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

**Docket No. 20210178-EI** – Petition for evaluation of Hurricane Isaias and Tropical Storm Eta storm costs, by Florida Power & Light Company.

**Docket No. 20210179-EI** – Petition for limited proceeding for recovery of incremental storm restoration costs and associated true-up process related to Hurricane Zeta, by Gulf Power Company.

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<u>Issue 7:</u> What is the reasonable and prudent amount of materials and supplies expense to be included in the restoration costs?

- a. Docket No. 20200241-EI for Gulf's Hurricane Sally.
- b. Docket No. 20210178-EI for FPL's Hurricane Isaias.
- c. Docket No. 20210178-EI for FPL's Tropical Storm Eta.
- d. Docket No. 20210179-EI for Gulf's Hurricane Zeta.

**Recommendation:** The Companies properly applied the ICCA methodology when expensing the cost of material and supplies and have removed all non-incremental costs. Staff recommends that the total amount of materials and supplies expense to be included in storm restoration costs, as reflected in the table below.

	Increi	mental		Total	
Utility/Storm	Recovered through Storm Restoration	Charged to Base O&M Expense	Capitalized		
	Surcharge				
Gulf—Sally	\$7,300,000	\$-	\$3,000,000	\$10,300,000	
FPL—Isaias	\$-	\$39,000	\$3,000	\$42,000	
FPL—Eta	\$-	\$185,000	\$347,000	\$532,000	
Gulf—Zeta	\$75,000	\$-	\$104,000	\$179,000	

4

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

**Docket No. 20210178-EI** – Petition for evaluation of Hurricane Isaias and Tropical Storm Eta storm costs, by Florida Power & Light Company.

**Docket No. 20210179-EI** – Petition for limited proceeding for recovery of incremental storm restoration costs and associated true-up process related to Hurricane Zeta, by Gulf Power Company.

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<u>Issue 8:</u> What is the reasonable and prudent amount of logistics costs to be included in the restoration costs?

- a. Docket No. 20200241-EI for Gulf's Hurricane Sally.
- b. Docket No. 20210178-EI for FPL's Hurricane Isaias.
- c. Docket No. 20210178-EI for FPL's Tropical Storm Eta.
- d. Docket No. 20210179-EI for Gulf's Hurricane Zeta.

**Recommendation:** Staff recommends that the total amount of logistics costs to be included in storm restoration costs, as reflected in the table below.

in storm restoration costs, as refrected in the table below.								
	Incremental							
Utility/Storm	Recovered through Storm Restoration Surcharge	Charged to Base O&M Expense						
Gulf—Sally	\$42,200,000	\$-						
FPL—Isaias	\$-	\$9,300,000						
FPL—Eta	\$-	\$9,100,000						
Gulf—Zeta	\$1,300,000	\$-						

4

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

**Docket No. 20210178-EI** – Petition for evaluation of Hurricane Isaias and Tropical Storm Eta storm costs, by Florida Power & Light Company.

**Docket No. 20210179-EI** – Petition for limited proceeding for recovery of incremental storm restoration costs and associated true-up process related to Hurricane Zeta, by Gulf Power Company.

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<u>Issue 9:</u> What is the reasonable and prudent total amount of costs to be included in the restoration costs?

- a. Docket No. 20200241-EI for Gulf's Hurricane Sally.
- b. Docket No. 20210178-EI for FPL's Hurricane Isaias.
- c. Docket No. 20210178-EI for FPL's Tropical Storm Eta.
- d. Docket No. 20210179-EI for Gulf's Hurricane Zeta.

**Recommendation:** Based on staff's recommendations in Issues 2 through 8, the appropriate amounts of prudently incurred storm restoration costs are reflected on the table below, along with how the costs should be recovered. In addition to these costs, Gulf should be allowed recover \$0.311 million and \$0.001 million in interest on the unamortized storm restoration costs for Hurricane Sally and Hurricane Zeta, respectively.

	Incren	nental		Non		
Utility/Storm	Recovered through Storm Restoration Surcharge	Charged to Base O&M Expense	Capitalized	Non- Incremental (Charged to Base O&M Expense)	Insurance	Total
Gulf—Sally	\$187,800,000	\$-	\$21,200,000	\$2,300,000	\$16,100,000	\$227,400,000
FPL—Isaias	\$-	\$66,400,000	\$3,000	\$2,020,000	\$-	\$68,423,000
FPL—Eta	\$-	\$113,200,000	\$439,000	\$2,200,000	\$-	\$115,839,000
Gulf—Zeta	\$10,100,000	\$-	\$292,000	\$1,000,000	\$-	\$11,392,000

4

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

**Docket No. 20210178-EI** – Petition for evaluation of Hurricane Isaias and Tropical Storm Eta storm costs, by Florida Power & Light Company.

**Docket No. 20210179-EI** – Petition for limited proceeding for recovery of incremental storm restoration costs and associated true-up process related to Hurricane Zeta, by Gulf Power Company.

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<u>Issue 10:</u> What is the reasonable and prudent amount of storm-related costs that should be capitalized?

- a. Docket No. 20200241-EI for Gulf's Hurricane Sally.
- b. Docket No. 20210178-EI for FPL's Hurricane Isaias.
- c. Docket No. 20210178-EI for FPL's Tropical Storm Eta.
- d. Docket No. 20210179-EI for Gulf's Hurricane Zeta.

**Recommendation:** The total amounts of storm-related costs that should be capitalized are \$21.2 million for Hurricane Sally, \$3,000 for Hurricane Isaias, \$439,000 for Tropical Storm Eta, and \$292,000 for Hurricane Zeta.

<u>Issue 11:</u> What is the appropriate accounting treatment associated with any storm costs found to have been imprudently incurred?

- a. Docket No. 20210178-EI for FPL's Hurricane Isaias.
- b. Docket No. 20210178-EI for FPL's Tropical Storm Eta.

**Recommendation:** All storm costs found to have been imprudently incurred should be charged below-the-line with a corresponding reduction in capital costs or above-the-line base O&M expense.

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

**Docket No. 20210178-EI** – Petition for evaluation of Hurricane Isaias and Tropical Storm Eta storm costs, by Florida Power & Light Company.

**Docket No. 20210179-EI** – Petition for limited proceeding for recovery of incremental storm restoration costs and associated true-up process related to Hurricane Zeta, by Gulf Power Company.

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<u>Issue 12:</u> Should the Commission approve Gulf Power Company's proposed tariffs and associated charges?

- a. Docket No. 20200241-EI for Gulf's Hurricane Sally.
- b. Docket No. 20210179-EI for Gulf's Hurricane Zeta.

**Recommendation:** Gulf's proposed First Revised Tariff Sheet No. 8.030.5 (Hurricane Sally), Second Revised Tariff Sheet No. 8.030.5 (Hurricane Sally), and Original Sheet No. 8.030.6 (Hurricane Zeta) and associated charges should be approved. If the Commission disallows any storm-related costs, FPL should file revised tariffs that reflect the Commission vote for administrative approval by staff.

First Revised Tariff Sheet No. 8.030.5 should be effective January 1, 2023, Second Revised Tariff Sheet No. 8.030.5 should be effective November 1, 2023, and Original Sheet No. 8.030.6 should be effective November 1, 2024.

**Issue 13:** If applicable, how should any under-recovery or over-recovery be handled?

- a. Docket No. 20200241-EI for Gulf's Hurricane Sally.
- b. Docket No. 20210179-EI for Gulf's Hurricane Zeta.

**Recommendation:** At the end of the storm restoration surcharge period for the recovery of Hurricane Sally and Hurricane Zeta, the actual amount recovered through the surcharge should be compared to the appropriate amounts approved by the Commission for each of the storms, and a determination made whether any under/over recovery has occurred. The disposition of any under/over recovery, and associated interest, should be considered by the Commission at a later date.

4

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

**Docket No. 20210178-EI** – Petition for evaluation of Hurricane Isaias and Tropical Storm Eta storm costs, by Florida Power & Light Company.

**Docket No. 20210179-EI** – Petition for limited proceeding for recovery of incremental storm restoration costs and associated true-up process related to Hurricane Zeta, by Gulf Power Company.

(Continued from previous page)

#### **Issue 14:** Should this docket be closed?

- a. Docket No. 20200241-EI for Gulf's Hurricane Sally.
- b. Docket No. 20210178-EI for FPL's Hurricane Isaias.
- c. Docket No. 20210178-EI for FPL's Tropical Storm Eta.
- d. Docket No. 20210179-EI for Gulf's Hurricane Zeta.

**Recommendation:** Yes. If the Commission approves staff's recommendations on Issues 1-10, 12 and 13 relating to Gulf's recovery for Hurricane Sally and Hurricane Zeta storm-related costs, this docket should be closed. If the Commission approves staff's recommendations that FPL's storm-related costs for Hurricane Isaias and Tropical Storm Eta were reasonable and prudent, this docket should be closed.

ITEM NO. CASE

5\*\*PAA

**Docket No. 20200185-WS** – Application for certificates to provide water and wastewater service in Lake and Sumter Counties, by Gibson Place Utility Company, LLC.

Critical Date(s): None

Commissioners Assigned: All Commissioners

**Prehearing Officer:** Clark

**Staff:** ENG: M. Watts, Ramos

AFD: Bennett, Sewards ECO: Bethea, Hudson GCL: Stiller, J. Crawford

<u>Issue 1:</u> What are the appropriate water and wastewater rates and return on investment for Gibson Place Utility Company, LLC?

**Recommendation:** Staff recommends that the Commission make adjustments to the Utility's proposed rate base calculations and approve the resulting water and wastewater rates as calculated by staff and shown on Schedule Nos. 4-A and 4-B of staff's memorandum dated October 24, 2022. The overall cost of capital should be 7.76 percent. A return on equity (ROE) of 7.84 percent with a range of plus or minus 100 basis points should also be approved. The approved rates 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 be required to charge the approved rates until authorized to change them by the Commission in a subsequent proceeding.

<u>Issue 2:</u> What are the appropriate miscellaneous service charges for Gibson Place Utility Company, LLC?

**Recommendation:** The appropriate miscellaneous service charges are shown on Schedule No. 4-C of staff's memorandum dated October 24, 2022 and should be approved. The Utility should file revised tariff sheets to reflect the Commission-approved charges. The approved charges 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. Gibson should be required to charge the approved miscellaneous service charges until authorized to change them by the Commission in a subsequent proceeding.

<u>Issue 3:</u> Should the meter tampering charge requested by Gibson Place Utility Company, LLC be approved?

**Recommendation:** Yes. The Utility's requested meter tampering charge of actual cost should be approved. The approved charge should be effective for service rendered on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. Gibson should be required to charge the approved charge until authorized to change it by the Commission in a subsequent proceeding.

ITEM NO. CASE

5\*\*PAA

**Docket No. 20200185-WS** – Application for certificates to provide water and wastewater service in Lake and Sumter Counties, by Gibson Place Utility Company, LLC.

(Continued from previous page)

<u>Issue 4:</u> Should the Utility's request to implement a backflow prevention assembly testing charge be approved?

**Recommendation:** Yes. The Utility's requested backflow prevention assembly testing charge for general service customers at actual cost should be approved. The approved charge should be effective for service rendered on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. Gibson should be required to charge the approved charge until authorized to change it by the Commission in a subsequent proceeding.

<u>Issue 5:</u> Should the collection device cleaning charge requested by Gibson Place Utility Company, LLC be approved?

**Recommendation:** Yes. The Utility's requested collection device cleaning charge at actual cost for general service customers should be approved. The approved charge should be effective for service rendered on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. Gibson should be required to charge the approved charge until authorized to change it by the Commission in a subsequent proceeding.

<u>Issue 6:</u> Should the temporary meter deposit requested by Gibson Place Utility Company, LLC be approved?

**Recommendation:** Yes. The Utility's requested temporary meter deposit for general service customers at actual cost pursuant to Rules 25-30.315 and 25-30.345, F.A.C., is reasonable and should be approved. The approved deposit should be effective for service rendered on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. Gibson should be required to collect the approved deposit, which covers the anticipated costs of installing and removing facilities and materials for temporary service, until authorized to change it by the Commission in a subsequent proceeding.

**Issue 7:** Should the Utility's requested initial customer deposits be approved?

**Recommendation:** No. The appropriate initial customer deposits are \$61 for water and \$138 for wastewater service for the residential 5/8" x 3/4" meter size. 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 customer deposits should be effective for service rendered on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. 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

5\*\*PAA

**Docket No. 20200185-WS** – Application for certificates to provide water and wastewater service in Lake and Sumter Counties, by Gibson Place Utility Company, LLC.

(Continued from previous page)

<u>Issue 8:</u> What are the appropriate service availability charges for Gibson Place Utility Company, LLC?

Recommendation: The appropriate service availability charges are a meter installation charge of \$571.50 for the residential 5/8" x 3/4" meter size and actual cost for all other residential and general service meter sizes. The main extension charge of \$823 per ERC and plant capacity charge of \$401 per ERC for the Utility's water system should be approved. Additionally, the plant capacity charges for Gibson should be \$401 for water and \$1,183 for wastewater. For Middleton, plant capacity charges should be \$1,128 for water and \$3,327 for wastewater. The recommended main extension and plant capacity charges should be based on an estimated 80 gallons per day (gpd) of water demand. The approved charges should be effective for connections made 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 charges until authorized to change them by the Commission in a subsequent proceeding.

**Issue 9:** 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 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

6\*\*

**Docket No. 20220092-WS** – Notice of abandonment of water and wastewater systems in Charlotte County by Sun River Utilities, Inc.

Critical Date(s): None

Commissioners Assigned: All Commissioners

**Prehearing Officer:** Graham

Staff: ENG: Lewis, Maloy, Ramos

GCL: J. Crawford

<u>Issue 1:</u> Should the Commission acknowledge the notice of abandonment by Sun River Utilities, Inc., and the appointment of CSWR as receiver?

**Recommendation:** Yes. The Commission should acknowledge the notice of abandonment by Sun River and the appointment of CSWR 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.

7\*\*

**Docket No. 20220161-EI** – Petition to adjust clean energy transition mechanism to reflect revised authorized return on equity, by Tampa Electric Company.

Critical Date(s): 11/15/22 (60-Day Suspension Date)

**Commissioners Assigned:** All Commissioners **Prehearing Officer:** Administrative

Staff: ECO: Kunkler, Draper, Hampson

AFD: Gatlin, Norris GCL: Dose, J. Crawford

#### (Tariff Filing)

<u>Issue 1:</u> Should the Commission approve the updated Clean Energy Transmission Mechanism (CETM) amount of \$69,168,529?

**Recommendation:** Yes, the updated 2023 CETM amount of \$69,168,529 should be approved.

<u>Issue 2:</u> Should the Commission approve TECO's revised CETM rates and tariff, effective with the first billing cycle of January 2023?

**Recommendation:** Yes, the Commission should approve TECO's revised CETM rates and tariff, as shown in Attachment A of staff's memorandum dated October 20, 2022, effective with the first billing cycle of January 2023.

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

**Recommendation:** If a protest is filed within 21 days of the issuance of the order, the tariffs should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order.

ITEM NO. CASE

8\*\*PAA

**Docket No. 20220144-GU** – Joint petition for approval of firm transportation between Florida Public Utilities Company and Peninsula Pipeline Company, Inc. to reflect expansion of Wildlight development in Nassau County.

Critical Date(s): None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Clark

Staff: ECO: Hampson

GCL: Rivera-Pacheco, J. Crawford

<u>Issue 1:</u> Should the Commission approve the proposed transportation service agreement between Peninsula Pipeline Company and Florida Public Utilities Company dated July 8, 2022?

**Recommendation:** Yes, the Commission should approve the proposed transportation service agreement between Peninsula and FPUC dated July 8, 2022. The proposed Agreement is reasonable and meets the requirements of Section 368.105, F.S. Furthermore, staff agrees that the proposed Agreement is in the public interest, because it facilitates the delivery of natural gas to areas in Nassau County that currently do not have access to natural gas service.

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

**Recommendation:** Yes. If no protest is filed by a person whose substantial interest are affected within 21 days of the issuance of the Order, this docket should be closed upon the issuance of a Consummating Order.

ITEM NO. CASE

9\*\*

**Docket No. 20220155-GU** – Joint petition for approval of GRIP cost recovery factors, by Florida Public Utilities Company, Florida Public Utilities Company-Fort Meade, and Florida Division of Chesapeake Utilities Corporation.

Critical Date(s): 05/1/23 (8-Month Effective Date)

**Commissioners Assigned:** All Commissioners **Prehearing Officer:** Administrative

**Staff:** ECO: Hampson

GCL: Dose, J. Crawford

#### (Tariff Filing)

<u>Issue 1:</u> Should the Commission approve FPUC's, Chesapeake's, and Fort Meade's proposed GRIP surcharges for the period January through December 2023?

**Recommendation:** If the Commission has not yet made a decision in the 2022 rate case prior to December 1, 2022, then the GRIP surcharges as shown in Attachment C of staff's memorandum dated October 20, 2022 should go into effect for the period January through December 2023, and the surcharges in Attachment B should be denied. If the Commission approves in the 2022 rate case the Companies' proposals to roll the GRIP investment into rate base prior to December 1, 2022, then the Commission should approve FPUC's, Chesapeake's, and Fort Meade's proposed GRIP surcharges for the period January through December 2023, as shown in Attachment B of staff's memorandum dated October 20, 2022, and the surcharges shown in Attachment C should be denied.

If the Commission approves to consolidate the rate classes in the 2022 rate case, within 10 business days after the Commission vote in the 2022 rate case docket, the Companies should recalculate the GRIP surcharges for the consolidated rate classes. The revised GRIP surcharges should be submitted for staff's administrative approval and should be effective concurrent with any revised Commission-approved base rates in the rate case docket.

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

**Recommendation:** Yes. If Issue 1 is approved and a protest is filed within 21 days of the issuance of the order, the approved tariffs should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order.

ITEM NO. CASE

10\*\*

**Docket No. 20220153-GU** – Petition for approval of safety, access, and facility enhancement program true-up and 2023 cost recovery factors, by Florida City Gas.

Critical Date(s): 05/01/23 (8-month Effective Date)

**Commissioners Assigned:** All Commissioners **Prehearing Officer:** Administrative

Staff: ECO: Hampson Draper

GCL: Watrous, J. Crawford, Trierweiler

## (Tariff Filing)

<u>Issue 1:</u> Should the Commission approve FCG's proposed SAFE tariff for the period January through December 2023?

**Recommendation:** Yes. The Commission should approve FCG's proposed SAFE tariff for the period January through December 2023. After reviewing FCG's filings and supporting documentation, the calculations of the 2023 SAFE factors appear consistent with the methodology approved in the 2015 order and are reasonable and accurate.

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

**Recommendation:** Yes. If Issue 1 is approved and a protest is filed within 21 days of the issuance of the order, the tariffs should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order.

ITEM NO. CASE

11\*\*

**Docket No. 20220152-GU** – Petition for approval of 2021 true-up, projected 2022 true-up, and 2023 revenue requirements and surcharges associated with cast iron/bare steel pipe replacement rider, by Peoples Gas System.

**Critical Date(s):** 5/1/23 (8-Month Effective Date)

**Commissioners Assigned:** All Commissioners **Prehearing Officer:** Administrative

Staff: ECO: Ward, Draper

GCL: Watrous, J. Crawford

#### (Tariff Filing)

<u>Issue 1:</u> Should the Commission approve Peoples' proposed CI/BSR Rider surcharges for the period January through December 2023?

**Recommendation:** Yes, the Commission should approve Peoples' proposed CI/BSR Rider surcharges for the period January through December 2023.

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

**Recommendation:** Yes. If Issue 1 is approved and a protest is filed within 21 days of the issuance of the order, the tariff should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order.

ITEM NO. CASE

12\*\*PAA

**Docket No. 20220159-GU** – Joint petition by Peoples Gas System and Florida Public Utilities Company for approval of special contract.

Critical Date(s): None

Commissioners Assigned: All Commissioners

**Prehearing Officer:** Graham

Staff: ECO: Ward, Draper

GCL: Stiller

<u>Issue 1:</u> Should the Commission approve the special contract between Peoples and FPUC?

**Recommendation:** Yes, the Commission should approve the special contract between Peoples and FPUC as shown in Attachment A of staff's memorandum dated October 20, 2022. The contract is reasonable because it facilitates the delivery of natural gas into Nassau County and benefits FPUC's and Peoples' general body of ratepayers. The contract should be effective November 1, 2022.

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

**Recommendation:** If no protest is filed by a person whose substantial interests are affected within 21 days of issuance of this order, this docket should be closed upon the issuance of a consummating order.

ITEM NO. CASE

13\*\*

**Docket No. 20220154-GU** — Joint petition for approval of swing service rider rates for January through December 2023, 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): 05/1/23 (8-Month Effective Date)

**Commissioners Assigned:** All Commissioners **Prehearing Officer:** Administrative

**Staff:** ECO: Guffey

GCL: Dose, J. Crawford

## (Tariff Filing)

<u>Issue 1:</u> Should the Commission approve the Companies' proposed swing service rider rates and tariffs for the period January through December 2023?

**Recommendation:** Yes. The Commission should approve the Companies' proposed swing service rider rates and tariffs for the period January through December 2023. The costs included are appropriate and the methodology for calculating the swing service rider rates is consistent with the swing service order.

If the Commission approves the Companies' proposal to consolidate the rate classes in rate case Docket No. 20220067-GU, within 10 business days after the Commission vote in the rate case docket, the Companies should recalculate the swing service rider rates for the consolidated rate classes. The revised swing service rider rates should be submitted for staff's administrative approval and should be effective concurrent with any revised Commission-approved base rates in the rate case docket. If the Commission denies the Companies' proposal to consolidate the rate classes, the swing service rider rates as approved in this docket should stay in effect for the period January through December 2023.

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

**Recommendation:** Yes. If Issue 1 is approved and a protest is filed within 21 days of the issuance of the order, the tariff should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order.

ITEM NO. CASE

14\*\*

**Docket No. 20220147-SU** – Application for approval of a new classes of service for bulk wastewater service in Pasco County, by Ni Florida, Inc.

Critical Date(s): 11/1/22 (60-Day Suspension Date Waived until November 1, 2022)

**Commissioners Assigned:** All Commissioners **Prehearing Officer:** Administrative

Staff: ECO: Hudson

GCL: Rivera-Pacheco, J. Crawford

# (Tariff Filing)

<u>Issue 1:</u> Should Ni Florida's proposed tariffs containing the bulk service wastewater rates for Shadow Wood Village and Shadow Wood West be approved?

**Recommendation:** Yes, the utility's proposed tariffs containing the bulk service wastewater rates should be approved. As shown in Attachment 1 of staff's memorandum dated October 20, 2022, Ni Florida's Second Revised Sheet No. 11, Original Sheet No. 12.3, and Original Sheet No. 12.4 should be approved as filed. The utility should file a proposed customer notice for the two bulk service customers to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date of the tariffs pursuant to Rule 25-30.475(1), Florida Administrative Code (F.A.C.), provided that the notice of the tariff has been received by the two bulk service customers impacted. The utility should provide proof of the date notice was given within 10 days of the date of the notice. The utility's request for a generic bulk service tariff should be denied.

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

**Recommendation:** Yes. If Issue 1 is approved, the tariff sheets should become effective on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. If a protest is filed within 21 days of the issuance of the Order, the tariff should remain in effect with the revenues held subject to refund pending resolution of the protest, and the docket should remain open. If no timely protest is filed, the docket should be closed upon the issuance of a Consummating Order.