

FLORIDA PUBLIC SERVICE COMMISSION

COMMISSION CONFERENCE AGENDA

CONFERENCE DATE AND TIME: Tuesday, August 1, 2023, 9:30 a.m.

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

DATE ISSUED: July 20, 2023

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).

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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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ITEM NO.

CASE

1**PAA

Docket No. 20230075-GU – Request for approval of an AFUDC rate for natural gas division, effective April 1, 2023, by Florida Public Utilities Company.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: AFD: McGowan, D. Buys

GCL: Brownless

Issue 1: Should the Commission approve FPUC's request to establish an AFUDC rate of 5.70 percent?

Recommendation: Yes. The appropriate AFUDC rate for FPUC is 5.70 percent based on a 13-month average capital structure for the period ended March 31, 2023.

Issue 2: What is the appropriate monthly compounding rate to achieve FPUC's requested annual AFUDC of 5.70 percent?

Recommendation: The appropriate monthly compounding rate to achieve an annual AFUDC rate of 5.70 percent is 0.004630.

Issue 3: Should the Commission approve FPUC's requested effective date of April 1, 2023, for implementing the AFUDC rate?

Recommendation: Yes. The AFUDC rate should be effective April 1, 2023, 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

2**

Docket No. 20220203-WS – Application for amendment of Certificate Nos. 552-W and 481-S in Marion County, by C.F.A.T. H2O, Inc.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ENG: M. Watts

ECO: Bruce

GCL: Thompson

Issue 1: Should the Commission approve C.F.A.T. H2O, Inc.’s application for amendment of Certificate Nos. 552-W and 481-S to add and delete territory from its certificated water and wastewater service territory in Marion County?

Recommendation: Yes. The Commission should amend Certificate Nos. 552-W and 481-S to include the territory as described in Attachment A of staff’s memorandum dated July 20, 2023, effective the date of the Commission’s vote. The resultant order should serve as CFAT’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

3**

Docket No. 20220206-WS – Application for amendment of Certificate Nos. 405-W and 342-S in Marion County, by Tradewinds Utilities, Inc.

Critical Date(s): None

Commissioners Assigned: Staff

Prehearing Officer: Administrative

Staff: ENG: M. Watts

ECO: Bethea

GCL: J. Crawford, Dose

Issue 1: Should the Commission approve Tradewinds Utilities, Inc.’s application for amendment of Certificate Nos. 405-W and 342-S to add and delete territory from its certificated water and wastewater service territory in Marion County?

Recommendation: Yes. The Commission should amend Certificate Nos. 405-W and 342-S to include the territory as described in Attachment A of staff’s memorandum dated July 20, 2023, effective the date of the Commission’s vote. The resultant order should serve as Tradewinds’ 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

4**PAA

Docket No. 20220061-SU – Application for transfer of wastewater Certificate No. 318-S from BFF Corp to CSWR-Florida utility Operating Company, LLC, in Marion County.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: La Rosa

Staff: ENG: M. Watts, Ramos
AFD: Sowards, Thurmond
ECO: Bruce, Hudson
GCL: Sandy

(Proposed Agency Action for Issues 2, 3, and 4.)

Issue 1: Should the transfer of Certificate No. 318-S in Marion County from BFF Corp to CSWR-Florida Utility Operating Company, LLC be approved?

Recommendation: Yes. The transfer of the wastewater system and Certificate No. 318-S is in the public interest and should be approved effective the date that the sale becomes final. The resultant Order should serve as the Buyer's certificate and should be retained by the Buyer. The Buyer should submit the executed and recorded deed for continued access to the land upon which its facilities are located, and a copy of its signed and executed contract for sale to the Commission within 60 days of the Order approving the transfer, which is final agency action. If the sale is not finalized within 60 days of the transfer Order, the Buyer should file a status update in the docket file. The Utility's existing rates, service availability charges, and initial customer deposits, as shown on Schedule No. 4 of staff's memorandum dated July 20, 2023, should remain in effect until a change is authorized by the Commission in a subsequent proceeding. The tariff pages reflecting the transfer should be effective on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475(1), Florida Administrative Code (F.A.C.). The Seller is current with respect to annual reports and regulatory assessment fees (RAFs) through December 31, 2022. The Buyer should be responsible for filing annual reports and paying RAFs for all future years.

Issue 2: What is the appropriate net book value for CSWR-Florida Utility Operating Company LLC's wastewater system for transfer purposes?

Recommendation: For transfer purposes, the net book value (NBV) of the wastewater system is \$39,708 as of February 28, 2022. Within 90 days of the date of the Consummating Order, CSWR-BFF 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 2023 Annual Report when filed.

ITEM NO.

CASE

4**PAA

Docket No. 20220061-SU – Application for transfer of wastewater Certificate No. 318-S from BFF Corp to CSWR-Florida utility Operating Company, LLC, in Marion County.

(Continued from previous page)

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

Recommendation: No. Pursuant to Rule 25-30.0371, F.A.C., a positive acquisition adjustment should not be granted as the Buyer failed to demonstrate extraordinary circumstances.

Issue 4: Should CSWR-Florida Utility Operating Company, LLC’s 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. 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 charges should not be implemented until staff has approved the proposed customer notice and the notice has been received by customers. The Utility should provide proof of the date notice was given within 10 days of the date of the notice. The Utility should be required to charge the approved miscellaneous service charges until authorized to change them by the Commission in a subsequent proceeding.

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, that proof has been provided that appropriate noticing has been done pursuant to Rule 25-30.4345, F.A.C., the Buyer has notified the Commission in writing that it has adjusted its books in accordance with the Commission’s decision, that the Buyer has submitted the executed and recorded warranty deed, that the Buyer has submitted a copy of its application for permit transfer to the DEP, and that the Buyer has submitted a signed and executed copy of its contract for sale within 60 days of the Commission’s Order approving the transfer.

ITEM NO.

CASE

5**PAA

Docket No. 20220062-WS – Application for transfer of water and wastewater facilities of C.F.A.T. H2O, Inc., water Certificate No. 552-W, and wastewater Certificate No. 481-S to CSWR-Florida Utility Operating Company, LLC, in Marion County.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: La Rosa

Staff: ENG: M. Watts, Ramos
AFD: Sowards, Thurmond
ECO: Bethea, Hudson
GCL: Thompson, J. Crawford

(Proposed Agency Action for Issues 2, 3, and 4.)

Issue 1: Should the transfer of Certificate Nos. 552-W and 481-S in Marion County from C.F.A.T. H2O, Inc. to CSWR-Florida Utility Operating Company, LLC be approved?

Recommendation: Yes. The transfer of the water and wastewater systems and Certificate Nos. 552-W and 481-S is in the public interest and should be approved effective the date that the sale becomes final. The resultant Order should serve as the Buyer's certificate and should be retained by the Buyer. The Buyer should submit the executed and recorded deed for continued access to the land upon which its facilities are located, copies of its permit transfer application, and a copy of its signed and executed contract for sale to the Commission within 60 days of the Order approving the transfer, which is final agency action. If the sale is not finalized within 60 days of the transfer Order, the Buyer should file a status update in the docket file. The Utility's existing rates, service availability charges, and initial customer deposits, as shown on Schedule No. 7 of staff's memorandum dated July 20, 2023, should remain in effect until a change is authorized by the Commission in a subsequent proceeding. The tariff pages reflecting the transfer should be effective on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475(1), Florida Administrative Code (F.A.C.). The Seller is current with respect to annual reports and regulatory assessment fees (RAFs) through December 31, 2022. The Buyer should be responsible for filing annual reports and paying RAFs for all future years.

Issue 2: What is the appropriate net book value for CSWR-Florida Utility Operating Company LLC's water and wastewater system for transfer purposes?

Recommendation: For transfer purposes, the net book value (NBV) of the water and wastewater systems is \$228,698 and \$99,918, respectively, as of February 28, 2022. Within 90 days of the date of the Consummating Order, CSWR-CFAT 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 2023 Annual Report when filed.

ITEM NO.

CASE

5**PAA

Docket No. 20220062-WS – Application for transfer of water and wastewater facilities of C.F.A.T. H2O, Inc., water Certificate No. 552-W, and wastewater Certificate No. 481-S to CSWR-Florida Utility Operating Company, LLC, in Marion County.

(Continued from previous page)

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

Recommendation: No. Pursuant to Rule 25-30.0371, F.A.C., a positive acquisition adjustment should not be granted as the Buyer failed to demonstrate extraordinary circumstances.

Issue 4: Should CSWR-Florida Utility Operating Company, LLC’s 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. CSWR-CFAT 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. CSWR-CFAT should be required to charge the approved miscellaneous services charges until authorized to change them by the Commission in a subsequent proceeding.

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, that proof has been provided that appropriate noticing has been done pursuant to Rule 25-30.4345, F.A.C., the Buyer has notified the Commission in writing that it has adjusted its books in accordance with the Commission’s decision, that the Buyer has submitted the executed and recorded warranty deed, that the Buyer has submitted a copy of its application for permit transfer to the DEP, and that the Buyer has submitted a signed and executed copy of its contract for sale within 60 days of the Commission’s Order approving the transfer.

ITEM NO.

CASE

6**PAA

Docket No. 20220063-WS – Application for transfer of water and wastewater facilities of Tradewinds Utilities, Inc., water Certificate No. 405-W, and wastewater Certificate No. 342-S to CSWR-Florida Utility Operating Company, LLC, in Marion County.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: La Rosa

Staff: ENG: M. Watts, Ramos
AFD: Sowards, Thurmond
ECO: Bethea, Hudson
GCL: Stiller

(Proposed Agency Action for Issues 2, 3, and 4.)

Issue 1: Should the transfer of Certificate Nos. 405-W and 342-S in Marion County from Tradewinds Utilities, Inc. to CSWR-Florida Utility Operating Company, LLC be approved?

Recommendation: Yes. The transfer of the water and wastewater systems and Certificate Nos. 405-W and 342-S is in the public interest and should be approved effective the date that the sale becomes final. The resultant Order should serve as the Buyer's certificate and should be retained by the Buyer. The Buyer should submit the executed and recorded deed for continued access to the land upon which its facilities are located, copies of its permit transfer application, and a copy of its signed and executed contract for sale to the Commission within 60 days of the Order approving the transfer, which is final agency action. If the sale is not finalized within 60 days of the transfer Order, the Buyer should file a status update in the docket file. The Utility's existing rates, service availability charges, and initial customer deposits, as shown on Schedule No. 7 of staff's memorandum dated July 20, 2023, should remain in effect until a change is authorized by the Commission in a subsequent proceeding. The tariff pages reflecting the transfer should be effective on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475(1), Florida Administrative Code (F.A.C.). The Seller is current with respect to annual reports and regulatory assessment fees (RAFs) through December 31, 2022. The Buyer should be responsible for filing annual reports and paying RAFs for all future years.

ITEM NO.

CASE

6**PAA

Docket No. 20220063-WS – Application for transfer of water and wastewater facilities of Tradewinds Utilities, Inc., water Certificate No. 405-W, and wastewater Certificate No. 342-S to CSWR-Florida Utility Operating Company, LLC, in Marion County.

(Continued from previous page)

Issue 2: What is the appropriate net book value for CSWR-Florida Utility Operating Company LLC’s water and wastewater systems for transfer purposes?

Recommendation: For transfer purposes, the NBV of the water and wastewater systems is \$309,394 and \$25,516, respectively, as of February 28, 2022. Within 90 days of the date of the Consummating Order, CSWR-Tradewinds 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 2023 Annual Report when filed.

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

Recommendation: No. Pursuant to Rule 25-30.0371, F.A.C., a positive acquisition adjustment should not be granted as the Buyer failed to demonstrate extraordinary circumstances

Issue 4: Should CSWR-Florida Utility Operating Company, LLC’s 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. 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. The Utility should be required to charge the approved miscellaneous services charges until authorized to change them by the Commission in a subsequent proceeding.

ITEM NO.

CASE

6**PAA

Docket No. 20220063-WS – Application for transfer of water and wastewater facilities of Tradewinds Utilities, Inc., water Certificate No. 405-W, and wastewater Certificate No. 342-S to CSWR-Florida Utility Operating Company, LLC, in Marion County.

(Continued from previous page)

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, that proof has been provided that appropriate noticing has been done pursuant to Rule 25-30.4345, F.A.C., the Buyer has notified the Commission in writing that it has adjusted its books in accordance with the Commission’s decision, that the Buyer has submitted the executed and recorded warranty deed, that the Buyer has submitted a copy of its application for permit transfer to the DEP and the SJRWMD, and that the Buyer has submitted a signed and executed copy of its contract for sale within 60 days of the Commission’s Order approving the transfer.

ITEM NO.

CASE

7**

Docket No. 20230043-EI – Petition for approval of revised underground residential distribution tariffs, by Duke Energy Florida, LLC.

Critical Date(s): 11/30/23 (8-Month Effective Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Lang, Barrett, Hampson

GCL: Watrous

(Tariff Filing)

Issue 1: Should the Commission approve DEF’s proposed underground distribution tariffs and associated charges?

Recommendation: Yes. The Commission should approve DEF’s proposed underground residential distribution tariffs and associated charges effective on the date of the Commission vote. The proposed URD charges are cost-based and staff recommends approval of the tariffs shown in Attachment A of staff’s memorandum dated July 20, 2023.

Issue 2: Should the Commission approve DEF’s proposed underground distribution tariffs and associated charges?

Recommendation: 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

8**

Docket No. 20230045-EI – Petition for approval of revisions to underground residential tariff, underground commercial differential tariff, and overhead to underground conversion tariff, by Florida Power & Light Company.

Critical Date(s): 11/30/23 (8-Month Effective Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Ward, Hampson

ENG: Knoblauch

GCL: Thompson

(Tariff Filing)

Issue 1: Should the Commission approve FPL's proposed URD tariffs and associated charges?

Recommendation: Yes. The Commission should approve FPL's proposed URD tariffs and associated charges as shown in Attachment A of staff's memorandum dated July 20, 2023, effective 30 days after the Commission vote.

Issue 2: Should the Commission approve FPL's UCD tariffs and associated charges?

Recommendation: Yes. The Commission should approve FPL's proposed UCD tariffs and associated charges as shown in Attachment A of staff's memorandum dated July 20, 2023, effective 30 days after the Commission vote. Staff reviewed FPL's supporting documentation for the UCD charges and believes the charges are cost based and reasonable.

Issue 3: Should the Commission approve FPL's proposed revisions to Tariff Sheet Nos. 6.300 and 9.722?

Recommendation: Yes. The Commission should approve FPL's proposed revisions to Tariff Sheet Nos. 6.300 and 9.722 as shown in Attachment A of staff's memorandum dated July 20, 2023 effective 30 days from the Commission vote. Furthermore, staff recommends approval of FPL's request to include the waived existing facilities cost for all non-hardened overhead distribution facilities in net plant in service.

Issue 4: 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

9**PAA

Docket No. 20230029-GU – Petition for approval of gas utility access and replacement directive, by Florida Public Utilities Company.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Guffey

ENG: Thompson

GCL: Dose

Issue 1: Should the Commission approve FPUC's proposed Gas Utility Access and Replacement Directive's (GUARD) program to be implemented on January 1, 2024?

Recommendation: Yes, in part. The Commission should approve FPUC's proposed 10-year GUARD program and its associated components for: (1) replacement of problematic pipes and (2) relocation of mains and facilities from rear lot to front lot easements, to be implemented as an annual surcharge mechanism starting on January 1, 2024. The above two components of the proposed GUARD program should enhance the safety and accessibility of portions of its natural gas distribution system. The Commission should deny inclusion of the proposed reliability program component because they are part of the utility's normal operations and therefore more appropriately addressed through traditional ratemaking processes.

FPUC should be required to file its annual GUARD program petitions to revise the surcharge on or before September 1 of each year and implement the revised surcharge effective January 1 through December 31 of the following year. The first petition should be filed on September 1, 2023, for GUARD factors to be effective January 1 through December 31, 2024. The annual GUARD program petitions should include all calculations to show a final true-up, actual-estimated true-up, projected year investments and associated revenue requirements, and the calculations of the GUARD factors by rate class. The annual petitions should also include a report including the location, date, description, and associated costs of all replacement projects completed and all projects scheduled for the following year. The remaining GRIP total investment of \$5.84 million and any remaining GRIP over- or under-recoveries should be included in the 2024 GUARD cost recovery. In FPUC's next rate case, and any subsequent rate cases, the GUARD revenue requirement should be moved into rate base.

ITEM NO.

CASE

9**PAA

Docket No. 20230029-GU – Petition for approval of gas utility access and replacement directive, by Florida Public Utilities Company.

(Continued from previous page)

Issue 2: Should this docket be closed?

Recommendation: Yes. If no protest is filed by a person whose substantial interests 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

10**PAA

Docket No. 20230050-GU – Petition for approval of Amendment No. 1 to Escambia County firm gas transportation service agreement with Florida Public Utilities Company to reflect construction of additional delivery point, by Peninsula Pipeline Company, Inc.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Clark

Staff: ECO: Draper, Hudson

GCL: Sandy

Issue 1: Should the Commission approve the proposed amendment No. 1 to firm transportation agreement dated January 8, 2018, between FPUC and Peninsula?

Recommendation: Yes, the Commission should approve the proposed amendment No. 1 to firm transportation agreement dated January 8, 2018, between FPUC and Peninsula. The proposed amendment is reasonable and meets the requirements of Section 368.105, F.S.

Issue 2: Should this docket be closed?

Recommendation: Yes. If no protest is filed by a person whose substantial interests 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

11**PAA

Docket No. 20220201-WS – Request by Florida Community Water Systems, Inc. for a revenue-neutral rate restructuring in Brevard, Lake, and Sumter Counties.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: La Rosa

Staff: ECO: Bethea, Bruce, Hudson

AFD: Norris, Sowards

ENG: Lewis, Ramos

GCL: Thompson, Sandy

Issue 1: Should the Commission approve the refunds proposed by Florida Community Water Systems, Inc. to address overearnings?

Recommendation: Yes. FCWS should make the refunds outlined below. Pursuant to Rule 25-30.360, F.A.C., the refund should be made within 90 days of the Commission’s order. During the processing of the refund, monthly reports on the status of the refund should be made by the 20th of the following month. In addition, a preliminary report should be made within 30 days after the date the refund is completed and again 90 days thereafter. A final report should be made after all administrative aspects of the refund are completed.

Former System Name	2021		2022	
	\$ Amt	%	\$ Amt	%
Black Bear Water System	\$ 25,500	13.49%	\$ 4,720	3.08%
Brevard Water System	N/A	N/A	\$ 4,078	2.62%
Lakeside Water System				
Water	N/A	N/A	\$ 8,456	9.79%
Wastewater	\$ 7,403	8.43%	\$ 5,564	6.30%
Harbor Water System	\$ 44,012	9.50%	\$ 23,041	4.92%

Issue 2: Should Florida Community Water System’s request for a revenue-neutral rate restructuring limited proceeding for uniform rates be approved?

Recommendation: Yes. The Commission should approve FCWS’s request for a revenue-neutral rate restructuring limited proceeding for uniform rates.

Issue 3: What is the appropriate revenue requirement for restructuring the rates?

Recommendation: The appropriate revenue requirement for restructuring the rates is \$1,216,076 for water and \$248,255 for wastewater.

ITEM NO.

CASE

11**PAA

Docket No. 20220201-WS – Request by Florida Community Water Systems, Inc. for a revenue-neutral rate restructuring in Brevard, Lake, and Sumter Counties.

(Continued from previous page)

Issue 4: What are the appropriate rate structures and rates for the water and wastewater systems?

Recommendation: The staff recommended rate structures and rates for the water and wastewater systems are shown on Schedule Nos. 1-A and 1-B of staff’s memorandum dated July 20, 2023. 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 notices and the notices have been received by the customers. The utility should provide proof of the date notices were given within 10 days of the date of the notice.

Issue 5: What is the appropriate amount of rate case expense and what is the appropriate amount by which rates should be reduced four years after the published effective date to reflect the removal of the amortized rate case expense?

Recommendation: The appropriate amount of rate case expense is \$19,868. The total rate case expense should be amortized over four years, resulting in an annual expense of \$4,967. The rates should be reduced as shown on Schedule Nos. 1-A and 1-B of staff’s memorandum dated July 20, 2023, to remove rate case expense grossed-up for RAFs and amortized over a four-year period. In addition, for prior unamortized rate case expense, the rates should be reduced as shown on Schedule No. 2 of staff’s memorandum dated July 20, 2023. 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. FCWS should be required to file revised tariffs and a proposed customer notice setting forth the lower rates and the reason for the reduction no later than one month prior to the actual date of the required rate reduction. If the utility files this reduction in conjunction with a price index or pass-through rate adjustment, the utility shall file separate data for the price index and/or pass-through increase or decrease and the reduction in the rates due to the amortized rate case expense.

ITEM NO.

CASE

11**PAA

Docket No. 20220201-WS – Request by Florida Community Water Systems, Inc. for a revenue-neutral rate restructuring in Brevard, Lake, and Sumter Counties.

(Continued from previous page)

Issue 6: 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 to allow staff to verify completion of the refund discussed in Issue 1. Furthermore, the 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. Upon staff’s approval of the tariff sheets and customer notices, along with staff’s completion of the refund discussed in Issue 1, this docket should be closed administratively if no adjustments are necessary.