

# FLORIDA PUBLIC SERVICE COMMISSION

## COMMISSION CONFERENCE AGENDA

**CONFERENCE DATE AND TIME:** Tuesday, December 5, 2023, 9:30 a.m.

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

**DATE ISSUED:** November 21, 2023

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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).

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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.**

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**CASE**

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1\*\*

**Consent Agenda**

PAA

A) Docket No. 20230127-GU – Application for authorization to issue and sell securities, and to enter into agreements for interest rate swap products, equity products and other financial derivatives in 2024, by Chesapeake Utilities Corporation.

**Recommendation:** The Commission should approve the actions requested in the docket referenced above. For monitoring purposes, this docket should remain open until May 2, 2025, to allow the Company time to file the required Consummation Report.

**ITEM NO.**

**CASE**

2\*\*

**Docket No. 20230115-EU** – Proposed amendment of Rule 25-6.0131, F.A.C., Regulatory Assessment Fees; Investor-owned Electric Companies, Municipal Electric Utilities, Rural Electric Cooperatives.

**Rule Status:** Proposed

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Administrative

**Staff:** GCL: Rubottom, Dike

DED: Lynn

ECO: McNulty, Hampson, Kunkler

**Issue 1:** Should the Commission propose the amendment of Rule 25-6.0131, F.A.C., Regulatory Assessment Fees; Investor-owned Electric Companies, Municipal Electric Utilities, Rural Electric Cooperatives?

**Recommendation:** Yes, the Commission should propose the amendment of Rule 25-6.0131, F.A.C., as set forth in Attachment A of staff's memorandum dated November 21, 2023. The Commission should also certify that Rule 25-6.0131, F.A.C., is a rule the violation of which would be a minor rule violation pursuant to Section 120.695, F.S.

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

**Recommendation:** Yes, if no requests for hearing or JAPC comments are filed, the rule should be filed for adoption with the Department of State, and the docket should be closed.

**ITEM NO.**

**CASE**

3\*\*PAA

**Docket No. 20000121B-TP** – Investigation into the establishment of operations support systems permanent performance measures for incumbent local exchange telecommunications companies. (CENTURYLINK FLORIDA TRACK)

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** La Rosa

**Staff:** IDM: Nave

GCL: Imig

**Issue 1:** Should the Commission approve CenturyLink’s request seeking exemption from continued compliance with its Florida wholesale Performance Measurement Plan filed April 26, 2023?

**Recommendation:** Yes, the Commission should approve CenturyLink’s request seeking exemption from continued compliance with its Florida wholesale Performance Measurement Plan filed April 26, 2023.

**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**

4\*\*

**Docket No. 20230116-EI** – Petition for limited proceeding for recovery of incremental storm restoration costs related to Hurricane Idalia, by Duke Energy Florida, LLC.

**Docket No. 20230020-EI** – Petition for limited proceeding for recovery of incremental storm restoration costs related to Hurricanes Elsa, Eta, Isaias, Ian, Nicole, and Tropical Storm Fred, by Duke Energy Florida, LLC.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Passidomo (20230116-EI)  
Graham (20230020-EI)

**Staff:** AFD: Gatlin, D. Buys, Norris

ECO: Draper, Hampson, Hudson, Kelley

GCL: Brownless, Watrous

**Issue 1:** Should the Commission authorize DEF to implement an amended interim storm restoration recovery charge?

**Recommendation:** Yes. The Commission should authorize DEF to implement an amended interim storm restoration recovery charge, subject to refund, and a modified recovery period. After the actual costs are reviewed for prudence and reasonableness, and are compared to the actual amount recovered through the interim storm restoration recovery charge, a determination will be made whether any over/under recovery has occurred. The disposition of any over or under recovery, and associated interest, will be considered by the Commission at a later date.

**Issue 2:** What is the appropriate security to guarantee the amount collected subject to refund through the amended interim storm restoration recovery charge?

**Recommendation:** The appropriate security to guarantee the funds collected subject to refund is a corporate undertaking.

**Issue 3:** Should the Commission approve DEF's proposed amended interim storm restoration recovery charge tariff as shown in Attachment A of staff's memorandum dated November 21, 2023?

**Recommendation:** Yes. The Commission should approve DEF's proposal to revise the interim storm restoration surcharges. Furthermore, the Commission should give staff administrative authority to approve DEF's revised tariff sheet No. 6.105, which would provide the Commission-approved storm surcharges and other cost recovery factors. The tariff should become effective the first billing cycle of January 2024. The interim storm restoration surcharges should be subject to final true-up once the final total actual storm-related costs are known and filed.

**ITEM NO.**

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**CASE**

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4\*\*

**Docket No. 20230116-EI** – Petition for limited proceeding for recovery of incremental storm restoration costs related to Hurricane Idalia, by Duke Energy Florida, LLC.

**Docket No. 20230020-EI** – Petition for limited proceeding for recovery of incremental storm restoration costs related to Hurricanes Elsa, Eta, Isaias, Ian, Nicole, and Tropical Storm Fred, by Duke Energy Florida, LLC.

(Continued from previous page)

**Issue 4:** Should these dockets be closed?

**Recommendation:** No. Docket No. 20230020-EI should remain open to conduct the administrative hearing scheduled for that docket. Docket No. 20230116-EI should remain open pending final reconciliation of actual recoverable storm costs with the amount collected pursuant to the interim storm restoration recovery charge and the calculation of a refund or additional charge if warranted.

**ITEM NO.**

**CASE**

5\*\*PAA

**Docket No. 20230108-GU** – Request for approval to establish allowance for funds used during construction (AFUDC) rate of 5.85%, effective July 1, 2023, by Florida City Gas.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Administrative

**Staff:** AFD: Ferrer, D. Buys

GCL: Sandy

**Issue 1:** Should the Commission approve FCG's request to establish an AFUDC rate of 5.85 percent?

**Recommendation:** Yes. The appropriate AFUDC rate for FCG is 5.85 percent based on a 13-month average capital structure for the period ended June 30, 2023.

**Issue 2:** What is the appropriate monthly compounding rate to achieve FCG's requested annual AFUDC of 5.85 percent?

**Recommendation:** The appropriate monthly compounding rate to achieve an annual AFUDC rate of 5.85 percent is 0.004749.

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

**Recommendation:** Yes. The AFUDC rate should be effective July 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**

6\*\*PAA

**Docket No. 20230005-WS** – Annual reestablishment of price increase or decrease index of major categories of operating costs incurred by water and wastewater utilities pursuant to Section 367.081(4)(a), F.S.

**Critical Date(s):** 03/31/24 (Statutory Reestablishment Deadline)

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Administrative

**Staff:** AFD: Veaghn, Swards

GCL: Dose

**Issue 1:** Which index should be used to determine price level adjustments?

**Recommendation:** The Gross Domestic Product Implicit Price Deflator Index is recommended for use in calculating price level adjustments. Staff recommends calculating the 2024 Price Index by using a fiscal year, four quarter comparison of the Implicit Price Deflator Index ending with the third quarter of 2023.

**Issue 2:** What rate should be used by water and wastewater utilities for the 2024 Price Index?

**Recommendation:** The 2024 Price Index for water and wastewater utilities should be 3.24 percent.

**Issue 3:** How should the utilities be informed of the indexing requirements?

**Recommendation:** After the expiration of the Proposed Agency Action (PAA) protest period, the Division of Accounting and Finance should send each regulated water and wastewater utility a copy of the PAA Order establishing the index containing the information presented in Attachment 1 of staff’s memorandum dated November 21, 2023. A cover letter from the Director of the Division of Accounting and Finance should be included with the order (Attachment 2 of staff’s memorandum dated November 21, 2023). The entire package should also be made available on the Commission’s website.

**Issue 4:** Should this docket be closed?

**Recommendation:** No. Upon expiration of the 14-day protest period, if a timely protest is not received, the decision should become final and effective upon the issuance of a Consummating Order. Any party filing a protest should be required to prefile testimony with the protest. However, this docket should remain open through the end of the year and be closed upon the establishment of the new docket in January 2024.

**ITEM NO.**

**CASE**

7

**Docket No. 20230083-WS** – Application for increase in water and wastewater rates in Orange County by Pluris Wedgefield, LLC.

**Critical Date(s):** 12/05/23 (60-day Suspension and Decision on Interim Rates waived by the Utility)

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** La Rosa

**Staff:** AFD: Thurmond, Sowards

ECO: Bethea

ENG: Davis, Ellis

GCL: Watrous, J. Crawford

**(Decision on Suspension of Rates and Interim Rates - Participation is at the Discretion of the Commission)**

**Issue 1:** Should the Utility's proposed final water and wastewater rates be suspended?

**Recommendation:** Yes, Pluris' proposed final water and wastewater rates should be suspended.

**Issue 2:** Should any interim revenue increases be approved?

**Recommendation:** Yes, the Utility should be authorized to collect annual water and wastewater revenues as indicated below.

	Adjusted Test Year Revenues	\$ Increase	Revenue Requirement	% Increase
Water	\$1,630,450	\$410,299	\$2,040,748	25.16%
Wastewater	\$1,056,927	\$244,186	\$1,301,112	23.10%

**Issue 3:** What are the appropriate interim water and wastewater rates?

**Recommendation:** The interim rate increase of 25.61 percent for water and 23.10 percent for wastewater should be applied as an across-the-board increase to the water and wastewater rates, respectively. The rates, as shown on Schedule Nos. 4-A and 4-B of staff's memorandum dated November 21, 2023, should be effective for service rendered 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 Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. In addition, the approved rates should not be implemented until the required security has been filed, 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.

**ITEM NO.**

**CASE**

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7

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**Docket No. 20230083-WS** – Application for increase in water and wastewater rates in Orange County by Pluris Wedgefield, LLC.

(Continued from previous page)

**Issue 4:** What is the appropriate security to guarantee the interim increase?

**Recommendation:** The appropriate security to guarantee the funds collected subject to refund is a corporate undertaking by Pluris Capital Group, LLC, on behalf of its subsidiary, Pluris Wedgefield, LLC. Pluris Capital Group, LLC should be required to provide a written guarantee that it will support a corporate undertaking on behalf of its subsidiary, Pluris Wedgefield, LLC, in the amount of \$444,181.

**Issue 5:** Should this docket be closed?

**Recommendation:** This docket should remain open pending the Commission's final action on the Utility's requested rate increase.

**ITEM NO.**

**CASE**

8\*\*PAA

**Docket No. 20230079-EI** – Petition for approval of 2023 depreciation study by Florida Public Utilities Company.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** La Rosa

**Staff:** ECO: Smith II, Wu

AFD: D. Buys, Mouring

GCL: Stiller, J. Crawford

**Issue 1:** Should currently prescribed depreciation rates for Florida Public Utilities Company be revised?

**Recommendation:** Yes. The review of FPUC’s plant and depreciation-related information indicates a need to revise the Company’s currently prescribed depreciation rates.

**Issue 2:** What should be the implementation date for newly proposed depreciation rates?

**Recommendation:** Staff recommends January 1, 2023, for implementing newly proposed depreciation rates as shown on Attachments A, B, and C of staff’s memorandum dated November 21, 2023.

**Issue 3:** What are the appropriate depreciation parameters and resulting rates?

**Recommendation:** Staff recommends the Commission approve the lives, reserve percentages, net salvage percentages, and resulting remaining life depreciation rates for FPUC that are shown on Attachments A and C of staff’s memorandum dated November 21, 2023 . As shown on Attachment B of staff’s memorandum dated November 21, 2023, the corresponding depreciation and amortization expense effect of staff’s rate recommendations is a decrease of \$868,148 annually, or 18.3 percent, based on December 31, 2022 investments.

**Issue 4:** Should the current amortization of investment tax credits (ITCs) and flow back of excess deferred income taxes (EDITs) be revised to reflect the approved depreciation rates and amortization schedules?

**Recommendation:** Yes. The current amortization of ITCs and any flow back of EDITs should be revised to match the actual recovery periods for the related property. The Company should file detailed calculations of the revised ITC amortization and flow back of EDITs at the same time it files its earnings surveillance report covering the period ended December 31, 2023, as specified in Rule 25-6.1352, F.A.C.

**ITEM NO.**

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**CASE**

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8\*\*PAA

**Docket No. 20230079-EI** – Petition for approval of 2023 depreciation study by Florida Public Utilities Company.

(Continued from previous page)

**Issue 5:** 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**

9\*\*PAA

**Docket No. 20230089-EI** – Petition for approval of depreciation rate for electric vehicle charging stations, by Tampa Electric Company.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Clark

**Staff:** ECO: Wu, Kunkler

GCL: Stiller

**Issue 1:** Should TECO’s request to establish a new depreciation account with applicable annual depreciation rate for the Company to record its EV charging stations be approved, and if so, what is the appropriate account classification and the associated depreciation rate?

**Recommendation:** Yes. Staff recommends approval of TECO’s petition to establish a new Account 370.10 – EV Charging Stations to record all its Company-owned EV charging stations. Staff further recommends an annual depreciation rate of 10 percent applicable to this account be approved.

**Issue 2:** If a new depreciation rate for TECO’s EV charging stations is authorized in Issue 1, what should be the effective date?

**Recommendation:** If the Commission approves staff’s recommendation in Issue 1, staff recommends that any newly-authorized depreciation rate for TECO’s EV charging stations applicable to Account 370.10 – EV Charging Stations become effective October 1, 2023.

**Issue 3:** 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**

10\*\*

**Docket No. 20230112-WU** – Request for approval of new class of service in Okaloosa County by North Florida Community Water Systems.

**Critical Date(s):** 12/10/2023 (60-Day Suspension Date)

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Administrative

**Staff:** ECO: Bruce

GCL: Thompson

**(Tariff Filing)**

**Issue 1:** Should NFCWS's proposed tariff which includes BFCs for additional meter sizes based on the AWWA meter equivalents for the residential and general service classes be approved?

**Recommendation:** Yes, the utility's proposed tariff which includes BFCs for additional meter sizes based on the AWWA meter equivalents for the residential and general service classes should be approved. The utility's proposed Second Revised Sheet No. 12.4 and Second Revised Sheet No. 13.4 should be approved as filed. The approved tariffs should be effective on the date of the Commission vote. Since no current customers are affected by the proposed tariff revisions, no customer notices are required.

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

**Recommendation:** Yes. If Issue 1 is approved, the tariff sheets should become effective on the date of the Commission vote. 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.