

# FLORIDA PUBLIC SERVICE COMMISSION

## COMMISSION CONFERENCE AGENDA

**CONFERENCE DATE AND TIME:** Tuesday, August 6, 2024, 9:30 a.m.

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

**DATE ISSUED:** July 25, 2024

---

---

### 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 <https://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 (<https://www.floridapsc.com>) under the Hot Topics link on the home page. Cancellation can also be confirmed by calling the Office of Commission Clerk at 850-413-6770.

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

Table of Contents  
 Commission Conference Agenda  
 August 6, 2024

|        |   |
|--------|---|
| 1      | <b>Docket No. 20230020-EI</b> – 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.<br><b>Docket No. 20230116-EI</b> – Petition for limited proceeding for recovery of incremental storm restoration costs related to Hurricane Idalia, by Duke Energy Florida, LLC. .... 1 |
| 2      | <b>Docket No. 20240046-GU</b> – Petition for rate increase by St. Joe Natural Gas Company, Inc. .... 10   |
| 3      | <b>Docket No. 20240068-WS</b> – Application for increase in water and wastewater rates in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties, by Sunshine Water Services Company. .... 12  |
| 4**PAA | <b>Docket No. 20240023-WS</b> – Application for certificates to provide water and wastewater service and approval of initial rates and charges in Lake County, by North Lake County Water & Sewer Company LLC. .... 13  |
| 5**PAA | <b>Docket No. 20240060-GU</b> – Petition for approval to establish new regulatory subaccounts, amortization rates, and reclassification of associated investment and reserve balances, by Florida Public Utilities Company. .... 15   |
| 6**PAA | <b>Docket No. 20240084-EI</b> – Petition for approval of special contract with Agency for Persons with Disabilities for upgrading the electric distribution facilities at the Sunland Center in Marianna, Florida, by Florida Public Utilities Company. .... 16   |
| 7**PAA | <b>Docket No. 20240094-GU</b> – Joint petition by Peoples Gas System, Inc. and Florida Public Utilities Company for approval of special contract. .... 17   |

**ITEM NO.**

**CASE**

1

**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.

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

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

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

Passidomo (20230116-EI)

**Staff:** AFD: Gatlin, Norris, Vogel

ECO: Draper

GCL: Brownless

**(Post-hearing Decision - Participation is limited to Commissioners and Staff. Vote required on Issues 16 and 17 only.)**

**Issue 1:** Should the incremental cost and capitalization approach (ICAA) 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?

**Approved Type 2 Stipulation:** The ICCA approach in Rule 25-6.0143, F.A.C. and the terms of the 2019 Irma Settlement Agreement approved by Order No. PSC-2019-0232-AS-EI should be used to determine the reasonable and prudent amounts included in the restoration costs.

**Issue 2:** Have the terms of DEF's 2019 Settlement Agreement, approved by Order No. PSC-2019-0232-AS-EI, issued June 13, 2019, been complied with? If not, why not?

**Approved Type 2 Stipulation:** Yes.

**ITEM NO.**

**CASE**

1

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

(Continued from previous page)

**Issue 3:** What is the reasonable and prudent amount of regular payroll expense to be included in Total Storm Related Restoration Costs?

**Approved Type 2 Stipulation:** Below is the reasonable and prudent regular payroll expense for each storm.

**Table 3-1**  
**Regular Payroll Expense**

| <b>Storm</b> | <b>Amount</b> |
|--------------|---------------|
| Nicole       | \$1,370,120   |
| Ian          | \$4,674,377   |
| Fred         | \$167,704     |
| Elsa         | \$492,800     |
| Isaias       | \$66,191      |
| Eta          | \$347,959     |

The reasonable and prudent amount of regular payroll expense to be included in Total Storm Related Restoration Costs is \$7,119,151.

**ITEM NO.**

**CASE**

1

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

(Continued from previous page)

**Issue 4:** What is the reasonable and prudent amount of overtime payroll expense to be included in Total Storm Related Restoration Costs?

**Approved Type 2 Stipulation:** Below is the reasonable and prudent overtime payroll expense for each storm.

Table 4-1  
 Overtime Payroll Expense

| <b>Storm</b> | <b>Amount</b> |
|--------------|---------------|
| Nicole       | \$3,377,663   |
| Ian          | \$9,965,271   |
| Fred         | \$258,537     |
| Elsa         | \$807,888     |
| Isaias       | \$366,526     |
| Eta          | \$962,313     |

The reasonable and prudent amount of overtime payroll expense to be included in Total Storm Related Restoration Costs is \$15,738,198.

**Issue 5:** What is the reasonable and prudent amount of contractor costs, including vegetation and line clearing, to be included in Total Storm Related Restoration Costs?

**Approved Type 2 Stipulation:** Below are the reasonable and prudent contractor costs for each storm.

Table 5-1  
 Contractor Costs

| <b>Storm</b> | <b>Amount</b> |
|--------------|---------------|
| Nicole       | \$29,149,136  |
| Ian          | \$267,394,755 |
| Fred         | \$108,304     |
| Elsa         | \$8,257,533   |
| Isaias       | \$279,861     |
| Eta          | \$13,084,650  |

The reasonable and prudent amount of contractor costs, including vegetation and line clearing, to be included in Total Storm Related Restoration Costs is \$318,274,239.

**ITEM NO.**

**CASE**

1

**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.

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

(Continued from previous page)

**Issue 6:** What is the reasonable and prudent amount of vehicle and fuel expense to be included in Total Storm Related Restoration Costs?

**Approved Type 2 Stipulation:** Below is the reasonable and prudent vehicle and fuel expense for each storm.

**Table 6-1  
Vehicle and Fuel Expense**

| <b>Storm</b> | <b>Amount</b> |
|--------------|---------------|
| Nicole       | \$1,526,358   |
| Ian          | \$9,397,616   |
| Fred         | \$40,969      |
| Elsa         | \$426,169     |
| Isaias       | \$37,817      |
| Eta          | \$747,426     |

The reasonable and prudent amount of vehicle and fuel expense to be included in Total Storm Related Restoration Costs is \$12,176,355.

**Issue 7:** What is the reasonable and prudent amount of employee expenses to be included in Total Storm Related Restoration Costs?

**Approved type 2 Stipulation:** Below are the reasonable and prudent employee expenses for each storm.

**Table 7-1  
Employee Expenses**

| <b>Storm</b> | <b>Amount</b> |
|--------------|---------------|
| Nicole       | \$3,453,759   |
| Ian          | \$16,510,677  |
| Fred         | \$24,606      |
| Elsa         | \$836,059     |
| Isaias       | \$16,232      |
| Eta          | \$800,782     |

The reasonable and prudent amount of employee expenses to be included in Total Storm Related Restoration Costs is \$21,642,115.

**ITEM NO.**

**CASE**

1

**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.

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

(Continued from previous page)

**Issue 8:** What is the reasonable and prudent amount of materials and supplies expense to be included in Total Storm Related Restoration Costs?

**Approved Type 2 Stipulation:** Below is the reasonable and prudent materials and supplies expense for each storm.

**Table 8-1  
 Materials and Supplies Expense**

| <b>Storm</b> | <b>Amount</b> |
|--------------|---------------|
| Nicole       | \$3,245,543   |
| Ian          | \$18,603,008  |
| Fred         | \$34,668      |
| Elsa         | \$1,002,905   |
| Isaias       | \$37,432      |
| Eta          | \$1,003,640   |

The reasonable and prudent amount of materials and supplies expense to be included in Total Storm Related Restoration Costs is \$23,927,196.

**Issue 9:** What is the reasonable and prudent amount of logistics costs to be included in Total Storm Related Restoration Costs?

**Approved Type 2 Stipulation:** Below are the reasonable and prudent logistics costs for each storm.

**Table 9-1  
 Logistics Costs**

| <b>Storm</b> | <b>Amount</b> |
|--------------|---------------|
| Nicole       | \$4,917,493   |
| Ian          | \$44,649,681  |
| Fred         | \$59,127      |
| Elsa         | \$3,403,957   |
| Isaias       | \$12,301      |
| Eta          | \$2,768,223   |

The reasonable and prudent amount of logistics costs to be included in Total Storm Related Restoration Costs is \$55,810,782.

**Issue 10:** What is the reasonable and prudent amount of other costs to be included in Total Storm Related Restoration Costs?

**ITEM NO.**

**CASE**

1

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

(Continued from previous page)

**Approved Type 2 Stipulation:** Below are the reasonable and prudent other costs for each storm. These amounts include labor burdens/incentives, overhead allocations, external audit, insurance deductible and Irma settlement implementation costs.

**Table 10-1  
Other Costs**

| <b>Storm</b> | <b>Amount</b> |
|--------------|---------------|
| Nicole       | \$1,470,546   |
| Ian          | \$10,083,533  |
| Fred         | \$192,958     |
| Elsa         | \$914,981     |
| Isaias       | \$225,532     |
| Eta          | \$1,357,418   |

The reasonable and prudent amount of other costs to be included in Total Storm Related Restoration Costs is \$14,244,968.

**Issue 11:** What is the reasonable and prudent total amount of costs to be included in Total Storm Related Restoration Costs?

**Approved Type 2 Stipulation:** Below are the reasonable and prudent Total Storm Related Restoration Costs for each storm.

**Table 11-1  
Total Storm Related Restoration Costs**

| <b>Storm</b> | <b>Amount</b> |
|--------------|---------------|
| Nicole       | \$48,510,617  |
| Ian          | \$381,278,918 |
| Fred         | \$886,874     |
| Elsa         | \$16,142,291  |
| Isaias       | \$1,041,892   |
| Eta          | \$21,072,410  |

The reasonable and prudent total amount of costs to be included in Total Storm Related Restoration Costs is \$468,933,002.



**ITEM NO.**

**CASE**

1

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

(Continued from previous page)

**Issue 12:** What is the reasonable and prudent amount of storm-related costs that should be capitalized?

**Approved Type 2 Stipulation:** Below are the reasonable and prudent storm-related costs that should be capitalized.

**Table 12-1  
 Capitalized Costs**

| <b>Storm</b> | <b>Amount</b> |
|--------------|---------------|
| Nicole       | \$3,992,784   |
| Ian          | \$13,714,654  |
| Fred         | \$31,017      |
| Elsa         | \$171,265     |
| Isaias       | \$0           |
| Eta          | \$395,117     |

The reasonable and prudent amount of storm-related costs that should be capitalized is \$18,304,837.

**Issue 13:** What is the reasonable and prudent amount of storm-related costs that should be ICCA non-incremental O&M adjustment?

**Approved Type 2 Stipulation:** Below are the reasonable and prudent storm-related costs that should be ICCA non-incremental O&M adjustment.

**Table 13-1  
 ICCA Non-Incremental O&M Adjustment**

| <b>Storm</b> | <b>Amount</b> |
|--------------|---------------|
| Nicole       | \$1,274,876   |
| Ian          | \$4,096,655   |
| Fred         | \$690,427     |
| Elsa         | \$688,770     |
| Isaias       | \$760,300     |
| Eta          | \$376,694     |

The reasonable and prudent amount of storm-related costs that should be ICCA non-incremental O&M adjustments is \$7,887,722.

**ITEM NO.**

**CASE**

1

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

(Continued from previous page)

**Issue 14:** What is the reasonable and prudent total amount of retail Recoverable Storm Costs?

**Approved Type 2 Stipulation:** Below are the reasonable and prudent Recoverable Storm Costs including any true-up to prior storm recovery and estimated interest on the unamortized reserve deficiency balance, subject to true-up as stated in Issue 16.

**Table 14-1**  
**Retail Recoverable Storm Costs**

| <b>Storm</b>                             | <b>Amount</b>        |
|--|----------------------|
| Nicole                                   | \$42,928,330 retail  |
| Ian                                      | \$359,576,056 retail |
| Fred                                     | \$155,094 retail     |
| Elsa                                     | \$14,608,576 retail  |
| Isaias                                   | \$258,952 retail     |
| Eta                                      | \$20,160,165 retail  |
| Previous Partial Recovery of Storm Costs | \$10,976,144         |

The prudent and reasonable retail Total Recoverable Storm Costs plus estimated interest of \$4,669,608 is \$431,380,637.

**Issue 15:** What is the appropriate accounting treatment associated with any storm costs found to have been imprudently incurred?

**Approved Type 2 Stipulation:** Imprudently incurred storm costs should not be charged to the storm reserve or recovered through a storm restoration charge on customer bills. No storm restoration costs were imprudently incurred; therefore, no such adjustment is necessary.

**Issue 16:** Should any cost recovery in this docket be recovered from demand-metered customers through the demand charge?

**Recommendation:** No. Staff recommends that the recovery of storm restoration costs from demand-metered customers through an energy charge is more appropriate than through a demand charge because the costs recovered through a storm restoration surcharge are highly variable and are largely associated with non-recurring contractor costs. Therefore, staff recommends that no change be made to the collection of DEF’s storm restoration surcharge and that it continue to be collected from demand-metered customers on an energy (\$/kWh) basis.

**ITEM NO.**

**CASE**

1

**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.

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

(Continued from previous page)

**Issue 17:** If applicable, how should any under-recovery or over-recovery be handled?

**Recommendation:** In order to avoid mismatching the method used to collect storm restoration costs with that used to refund those costs, and consistent with our recommendation on Issue 16, staff recommends that DEF be required to use the fuel energy charge to either refund or collect true-up storm restoration costs.

**Issue 18:** What additional storm restoration process improvements, if any, should DEF follow in future storms?

**Approved Type 2 Stipulation:** DEF has fully implemented the Process Improvements approved in Order No. PSC-2019-0232-AS-EI. As part of DEF’s process of continuous improvements, to the extent practicable without hindering safe and efficient storm restoration, DEF has agreed to work to implement the additional process refinements included in Attachment A of staff’s memorandum dated July 25, 2024.

**Issue 19:** Should this docket be closed?

**Approved Type 2 Stipulation:** No. This docket should remain open so that DEF can file supplemental schedules that compare the final storm recovery amount approved by the Commission to actual revenues from the storm restoration charge and calculate the resulting excess or shortfall for recovery.

**ITEM NO.**

**CASE**

2

**Docket No. 20240046-GU** – Petition for rate increase by St. Joe Natural Gas Company, Inc.

**Critical Date(s):** 08/06/24 (60-day provision of Section 366.071(2), F.S., waived by Company until 08/06/24)

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Fay

**Staff:** AFD: Vogel, McGowan, Ferrer

ECO: Hampson, Hudson

GCL: Dose, Farooqi

**(Decision on Interim Rates - Participation is at the discretion of the Commission.)**

**Issue 1:** Should the request for a permanent increase in rates and charges be suspended for SJNG?

**Recommendation:** Yes. Staff recommends that the requested permanent increase in rates and charges be suspended for SJNG.

**Issue 2:** Is SJNG's proposed interim rate base appropriate?

**Recommendation:** No. The appropriate interim rate base for SJNG should be \$3,166,968.

**Issue 3:** Is SJNG's proposed interim return on equity and overall rate of return appropriate?

**Recommendation:** No. The appropriate return on equity for SJNG should be 10.00 percent and the overall cost of capital should be 4.81 percent for purposes of determining interim rates.

**Issue 4:** Is SJNG's proposed interim test year net operating income appropriate?

**Recommendation:** No. The appropriate historical base year ended December 31, 2023, net operating income for SJNG should be negative \$250,357.

**Issue 5:** Is SJNG's proposed interim net operating income multiplier appropriate?

**Recommendation:** No. SJNG should be granted an interim net operating income (NOI) multiplier of 1.3503.

**Issue 6:** Should SJNG's requested interim revenue increase be granted?

**Recommendation:** No. The appropriate interim revenue increase for SJNG should be \$543,665.

**ITEM NO.**

**CASE**

---

2

**Docket No. 20240046-GU** – Petition for rate increase by St. Joe Natural Gas Company, Inc.

(Continued from previous page)

**Issue 7:** Should SJNG's proposed interim rates and associated tariffs be approved?

**Recommendation:** No, SJNG's proposed interim rates and associated tariff should not be approved. If the staff-recommended adjustments are approved by the Commission, the Company should file a revised interim tariff for administrative approval by staff. The interim rates should be made effective for all meter readings occurring on or after thirty days from the date of the Commission vote. In addition, pursuant to Rule 25-22.0406(8), F.A.C., the Company should provide notice to customers of the revised rates. The notice must be approved in advance by staff and provided to the customers with the first bill containing the new rates.

**Issue 8:** What is the appropriate security to guarantee the amount subject to refund?

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

**Issue 9:** Should this docket be closed?

**Recommendation:** No. This docket should remain open to process the revenue increase request of the Company.

**ITEM NO.**

**CASE**

3

**Docket No. 20240068-WS** – Application for increase in water and wastewater rates in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties, by Sunshine Water Services Company.

**Critical Date(s):** 08/27/24 (60-Day Suspension Date)

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Fay

**Staff:** AFD: Sowards, Thurmond

GCL: Sandy

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

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

**Recommendation:** Yes. Sunshine's proposed final water and wastewater rates should be suspended.

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

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

**ITEM NO.**

**CASE**

4\*\*PAA

**Docket No. 20240023-WS** – Application for certificates to provide water and wastewater service and approval of initial rates and charges in Lake County, by North Lake County Water & Sewer Company LLC.

**Critical Date(s):** 08/06/24 (Statutory deadline for original certificate pursuant to Section 367.031, Florida Statutes, waived by applicant until 08/06/24)

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Graham

**Staff:** ENG: Ramirez-Abundez, Ramos, Watts

AFD: Norris, Swards

ECO: Bethea, Bruce

GCL: Sandy, J. Crawford

**(Proposed Agency Action except for Issue 1.)**

**Issue 1:** Should the application for water and wastewater certificates by North Lake be approved?

**Recommendation:** Yes. North Lake should be granted Certificate Nos. 683-W and 583-S to serve the territory described in Attachment A of staff’s memorandum dated July 25, 2024, effective the date of the Commission’s vote. The resultant order should serve as North Lake’s water and wastewater certificates and it should be retained by the Utility.

**Issue 2:** What are the appropriate water and wastewater rates and return on investment for North Lake?

**Recommendation:** Staff’s recommended water and wastewater rates, shown on Schedule Nos. 4-A and 4-B of staff’s memorandum dated July 25, 2024, are reasonable and should be approved. The overall cost of capital should be set at 8.42 percent. A return on equity (ROE) of 8.66 percent with a range of plus or minus 100 basis points should also be approved. The approved rates should be effective for services rendered as of 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.

**Issue 3:** Should North Lake’s requested initial customer deposits be approved?

**Recommendation:** No. The appropriate initial customer deposits are \$178 for water and \$160 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**

4\*\*PAA

**Docket No. 20240023-WS** – Application for certificates to provide water and wastewater service and approval of initial rates and charges in Lake County, by North Lake County Water & Sewer Company LLC.

(Continued from previous page)

**Issue 4:** What are the appropriate service availability charges for North Lake?

**Recommendation:** The appropriate service availability charges are the Utility’s requested plant capacity charge of \$2,000 per ERC for the water system and \$3,000 per ERC for the wastewater system. The recommended plant capacity charges should be based on 300 gallons per day (gpd) for water and 250 gpd for wastewater. 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 5:** Should the temporary meter deposit requested by North Lake 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 temporary meter deposit should be effective for service rendered on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475, F.A.C. North Lake 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 6:** Should North Lake’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 or connections made on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. North Lake should be required to charge the approved charge until authorized to change it by the Commission in a subsequent proceeding.

**Issue 7:** 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, a consummating order should be issued. The docket should remain open for staff’s verification that the revised tariff sheets have been filed by the utility and approved by staff. Once these actions are complete, this docket should be closed administratively.



**ITEM NO.**

**CASE**

5\*\*PAA

**Docket No. 20240060-GU** – Petition for approval to establish new regulatory subaccounts, amortization rates, and reclassification of associated investment and reserve balances, by Florida Public Utilities Company.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Graham

**Staff:** ECO: Wu, Galloway

GCL: Brownless

**Issue 1:** Should FPUC’s request to establish new subaccounts with applicable amortization rates for certain existing customized software and for specified new customer billing and business management software be approved, and if so, what are the appropriate account classifications and the respective associated amortization rates?

**Recommendation:** Yes. Staff recommends approval of FPUC’s petition to establish two subaccounts: Account 3031 – Miscellaneous Intangible Plant - 15 Years, with an annual amortization rate of 6.7 percent resulting from the 15-year amortization, for reclassifying certain existing customized software, and Account 3032 – Miscellaneous Intangible Plant – 20 Years, with an annual amortization rate of 5.0 percent resulting from the 20-year amortization period, for recording specified new customer billing and business management software.

**Issue 2:** If the Commission approves staff’s recommendation in Issue 1, what is the appropriate respective implementation date for the new Accounts 3031 and 3032, as well as the reclassification of FPUC’s customized software from Account 3941 to Account 3031?

**Recommendation:** Staff recommends January 1, 2024, as the effective date for the new Accounts 3031 and 3032, as well as the reclassification of the customized software from Account 3914 to new Account 3031.

**Issue 3:** 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. 20240084-EI** – Petition for approval of special contract with Agency for Persons with Disabilities for upgrading the electric distribution facilities at the Sunland Center in Marianna, Florida, by Florida Public Utilities Company.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Passidomo

**Staff:** ECO: Hampson

GCL: Brownless

**Issue 1:** Should the Commission approve the proposed Special Contract between FPUC and the Agency for Persons with Disabilities?

**Recommendation:** Yes, the Commission should approve the proposed Special Contract between FPUC and the Agency for Persons with Disabilities. If approved, FPUC should record all costs and revenues associated with improvements behind the meter of Sunland Center as below-the-line. Furthermore, FPUC should file the executed Special Contract with the Commission, if approved.

**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**

---

7\*\*PAA

---

**Docket No. 20240094-GU** – Joint petition by Peoples Gas System, Inc. and Florida Public Utilities Company for approval of special contract.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Passidomo

**Staff:** ECO: P. Kelley

GCL: Brownless

**Issue 1:** Should the Commission approved 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 July 25, 2024. 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 September 1, 2024.

**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.