

Table of Contents
Commission Conference Agenda
October 1, 2024

1**	Consent Agenda	1
2	Docket No. 20240032-SU – Application for certificate to provide wastewater service in Charlotte County by Environmental Utilities, LLC.	2
3**PAA	Docket No. 20240112-TP – Petition for designation as an eligible telecommunications carrier in the State of Florida, by Air Voice Wireless, LLC d/b/a AirTalk Wireless.	3
4**	Docket No. 20230131-WS – Application for staff-assisted rate case in Putnam County, by St. Johns River Estates Utilities, LLC.....	4
5	Docket No. 20240099-EI – Petition for rate increase by Florida Public Utilities Company.	5
6	Docket No. 20240135-GU – Petition for approval of swing service rider, by Florida Public Utilities Company, Florida Public Utilities Company-Indiantown Division, Florida Public Utilities Company-Fort Meade, and Florida Division of Chesapeake Utilities Corporation.	7
7	Docket No. 20240137-GU – Petition for approval of GUARD cost recovery factors, by Florida Public Utilities Company.	8
8	Docket No. 20240133-GU – Petition for approval of 2023 true-up, projected 2024 true-up, and 2025 revenue requirements and surcharges associated with cast iron/bare steel pipe replacement rider, by Peoples Gas System, Inc.	9
9	Docket No. 20240134-GU – Petition for approval of safety, access, and facility enhancement program true-up and 2025 cost recovery factors, by Florida City Gas.	10

Item 1

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: September 19, 2024

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Accounting and Finance (McGowan, D. Buys) *ALM*
Office of the General Counsel (Sparks, Farooqi) *AH*

RE: Docket No. 20240122-EI - Application for authority to issue and sell securities during calendar years 2025 and 2026, pursuant to Section 366.04, F.S., and Chapter 25-8, F.A.C., by Florida Power & Light Company.

AGENDA: 10/1/2024 - Consent Agenda - Final Action - Interested Persons May Participate

SPECIAL INSTRUCTIONS: None

Please place the following application for authority to issue and sell securities on the consent agenda for approval.

Docket No. 20240122-EI - Application for authority to issue and sell securities during calendar years 2025 and 2026, pursuant to Section 366.04, F.S., and Chapter 25-8, F.A.C., by Florida Power & Light Company.

Florida Power & Light Company (FPL or Company) requests authorization to issue and sell and/or exchange any combination of long-term debt and equity securities and/or to assume liabilities or obligations as guarantor, endorser or surety in an aggregate amount not to exceed \$8.6 billion during calendar year 2025.

In addition, FPL requests authorization to issue and sell short-term securities in an amount or amounts such that the aggregate principal amount of short-term securities outstanding at the time of and including any such sale shall not exceed \$5.6 billion during calendar years 2025 and 2026.

In its application, the Company states it confirms that the capital raised pursuant to this application will be used in connection with the regulated activities of FPL and FPL's subsidiaries, and not the non-regulated activities of its affiliates.

Staff has reviewed FPL's projected capital expenditures in Exhibit B. The amount requested by the Company (\$14.2 billion) exceeds its estimated construction expenditures (\$8.79 billion for

Docket No. 20240122-EI
Date: September 19, 2024

calendar year 2025). The additional amount requested exceeding the estimated capital budget expenditures allows for financial flexibility with regard to unexpected events such as hurricanes, financial market disruptions, and other unforeseen circumstances. Staff believes the requested amounts are appropriate. Staff recommends FPL's application for authority to issue and sell securities during calendar years 2025 and 2026 be approved.

For monitoring purposes, this docket should remain open until May 1, 2026, to allow the Company time to file the required Consummation Report.

Item 2

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: September 19, 2024

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Engineering (Watts, King, Ramirez-Abundez, Ramos) *TB*
Division of Accounting and Finance (Norris, Przygocki, Sowards) *AM*
Division of Economics (Bruce, Sibley) *ED*
Office of the General Counsel (Thompson, Dose) *JC*

RE: Docket No. 20240032-SU – Application for certificate to provide wastewater service in Charlotte County by Environmental Utilities, LLC.

AGENDA: 10/01/24 – Regular Agenda – Motion to Dismiss and Motion for Reconsideration – Oral Argument Not Requested; Participation is at the Discretion of the Commission

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Passidomo

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

On February 12, 2024, Environmental Utilities, LLC (EU or Utility) filed its application for an original wastewater certificate in Charlotte County (County). The proposed service area includes the barrier islands of Little Gasparilla Island, Don Pedro Island, and Knight Island.

On March 28, 2024, EU provided notice of the application by mail to property owners in the proposed service area pursuant to Rule 25-30.030, Florida Administrative Code (F.A.C.). Objections to the application were filed by Linda Cotherman; Palm Island Estates Association, Inc. (PIEA); and Little Gasparilla Island Preservation Alliance, Inc. (LGIPA) during the objection period.

Docket No. 20240032-SU

Date: September 19, 2024

On April 30, 2024, Mr. Guy Hurst filed a Motion to Dismiss the application alleging that EU failed to provide proper service. On May 6, 2024, EU filed a response in opposition to the Motion to Dismiss.

On August 12, 2024, the Order Establishing Procedure (OEP)¹ was issued, setting this matter for an administrative hearing on January 28-30, 2025. On August 19, 2024, EU filed a Motion for Reconsideration requesting that the Commission reconsider a portion of the OEP related to the exchange of cross-examination exhibits. On August 26, 2024, PIEA and LGIPA each filed responses opposing EU's Motion for Reconsideration.

This recommendation address Mr. Hurst's Motion to Dismiss (issue 1) and EU's Motion for Reconsideration (issue 2). The Commission has jurisdiction pursuant to Sections 367.011, 367.031, 367.045, and 367.081, Florida Statutes (F.S.).

¹ Order No. PSC-2024-0324-PCO-SU

Discussion of Issues

Issue 1: Should Mr. Hurst's Motion to Dismiss be granted?

Recommendation: No. Staff does not believe that Mr. Hurst's Motion to Dismiss demonstrates that EU's application fails to state a cause of action upon which relief may be granted. There is also already an administrative hearing scheduled in this docket. Therefore, Mr. Hurst's Motion to Dismiss should be denied. (Thompson)

Staff Analysis:

Law

The function of a motion to dismiss is to raise as a question of law the sufficiency of the facts alleged to state a cause of action. Varnes v. Dawkins, 624 So. 2d 349, 350 (Fla. 1st DCA 1993). The applicable standard for disposing of a motion to dismiss is whether the petition states a cause of action upon which relief may be granted if all factual allegations in the petition are taken to be true. Id. In making this determination, all reasonable inferences drawn from the petition must be made in favor of the petitioner. Id. Consideration of a motion to dismiss "may not properly go beyond the four corners of the complaint in testing the legal sufficiency of the allegations set forth therein." Stubbs v. Plantation Gen. Hosp. Ltd. P'ship, 988 So. 2d 683, 684 (Fla. 4th DCA 2008) (internal quotation omitted). All of the elements of a cause of action must be properly alleged in a pleading to seek affirmative relief. If the elements are not properly alleged, the pleading should be dismissed. Kislak v. Kreedian, 95 So. 2d 510 (Fla. 1957).

Mr. Hurst's Motion to Dismiss the Application

On April 30, 2024, Mr. Hurst filed a Motion to Dismiss the Application or Alternatively Stay All Proceedings Until Service is Perfected on Owners of Private Property Located on Little Gasparilla Island (Motion to Dismiss). In his motion, Mr. Hurst claims that residents in the proposed service area did not receive proper and adequate notice. He asserts that mail is not delivered to physical addresses on Little Gasparilla Island. He argues that the notice does not comply with agency rules because it was sent as junk mail, was not post-marked, was not signed, and appears to be just another mass mailing of an unknown advertiser. According to Mr. Hurst, the notice does not clearly inform the reader that there is a legal matter pending before the Commission and that the resident may be a party, and does not include a certificate of service. Consequently, Mr. Hurst alleges that there has been a violation of due process.

EU's Response to Mr. Hurst's Motion to Dismiss

On May 6, 2024, EU filed a response to Mr. Hurst's Motion to Dismiss requesting that the motion be denied. EU asserts that the notices were mailed to property owners at the mailing addresses as reflected on the records of the Charlotte County Property Appraiser and notices were even mailed to out of state addresses and out of the country. EU states that the notices were sent by a third party as bulk mail and there are no prohibitions against sending notices in this manner. EU further states that the notice was prepared in accordance with the requirements of Rule 25-30.030, F.A.C., and was approved by staff as required by Rule 25-30.030(4), F.A.C.

Finally, EU notes that the Commission has previously considered and denied² these same arguments from Mr. Hurst.

Staff Analysis and Conclusion

In his Motion to Dismiss, Mr. Hurst does not allege that EU's application fails to state a cause of action upon which relief may be granted but rather that EU's notice was insufficient. However, hundreds of prospective customers in the proposed service area filed comments regarding EU's application and three parties filed formal requests for an administrative hearing. At a minimum, Mr. Hurst received constructive notice of the application as he filed the motion to dismiss within the 30-day window that follows the receipt of the notice. As stated in his motion, the purported effective date of the notice was April 3, 2024, and Mr. Hurst's motion was filed on April 30, 2024, well within the 30-day window. Mr. Hurst's concerns that other individuals may not have received notice are speculative in nature and Mr. Hurst is not authorized to represent any such others' interests in this proceeding. The essence of due process is notice and the opportunity to be heard, to which Mr. Hurst has clearly availed himself. Finally, the notice was prepared in accordance with the requirements of Rule 25-30.030, F.A.C.

For the reasons stated above, staff recommends that Mr. Hurst's Motion to Dismiss be denied.

² Order No. PSC-2021-0405-PCO-SU.

Issue 2: Should EU's Motion for Reconsideration be granted?

Recommendation: No. Reconsideration should be denied because the Motion for Reconsideration fails to raise a point of fact or law that the Prehearing Officer overlooked or failed to consider in rendering their decision. (Thompson)

Staff Analysis:

Law

The appropriate standard of review for reconsideration of a Commission order is whether the motion identifies a point of fact or law that the Commission overlooked or failed to consider in rendering the order under review. See Stewart Bonded Warehouse, Inc. v. Bevis, 294 So. 2d 315 (Fla. 1974); Diamond Cab Co. v. King, 146 So. 2d 889 (Fla. 1962); and Pingree v. Quaintance, 394 So. 2d 162 (Fla. 1st DCA 1981). It is not appropriate to reargue matters that have already been considered. Sherwood v. State, 111 So. 2d 96 (Fla. 3d DCA 1959) (citing State ex. rel. Jaytex Realty Co. v. Green, 105 So. 2d 817 (Fla. 1st DCA 1958)). Furthermore, a motion for reconsideration should not be granted “based upon an arbitrary feeling that a mistake may have been made, but should be based upon specific factual matters set forth in the record and susceptible to review.” Stewart Bonded Warehouse, Inc., 294 So. 2d at 317.

EU's Motion for Reconsideration

In its Motion for Reconsideration, EU requests the Commission to reconsider Section V(F) of the OEP which states, in part:

...if a party plans to use exhibits that were not already prefiled with their witnesses' testimony for cross-examination, impeachment, or demonstrative purposes during the hearing, the party must provide a copy of such exhibits to all other parties and the Commission's Office of General Counsel by January 21, 2025.

EU argues that this requirement would “negate the effectiveness of cross-examination by eliminating any element of surprise” and allows the witness to “devise a response” with counsel before the hearing. EU asserts that this advance disclosure amounts to a violation of due process. Finally, EU alleges that although the disclosure of cross-examination exhibits may make the proceedings more orderly, the administrative convenience is outweighed by the damage done to the parties.

PIEA and LGIPA's Responses to EU's Motion for Reconsideration

PIEA's response alleges that EU is conflating a negated effectiveness of cross-examination with due process. PIEA also notes that prevailing case law in Florida disapproves of “trial by ambush” for both witness testimony and exhibits.

Similarly, LGIPA noted that the purpose of the rules of discovery is to assist in the “truth-finding function” and to avoid trial by surprise.

Staff's Analysis

The Uniform Rules applicable to administrative proceedings – Chapter 28, F.A.C. – give the presiding officer broad authority and discretion to resolve legal issues and procedural questions. Pursuant to Rule 28-106.102, F.A.C., a Commissioner serving as the Prehearing Officer is a “presiding officer” in cases set for hearing at the Commission. Rule 28-106.209, F.A.C., specifically allows the presiding officer to direct the parties to confer for the purpose of examining documents and other exhibits, which means the presiding officer has the authority to require the parties to list and exchange all exhibits in advance of the hearing.

In addition, Rule 28-106.211, F.A.C., states that the presiding officer “may issue any orders necessary to effectuate discovery, to prevent delay, and to promote the just, speedy, and inexpensive determination of all aspects of the case.” Prehearing disclosure requirements are, in essence, tribunal mandated discovery.

As the Commission has previously noted:

The purpose of discovery is to “eliminate surprise, to encourage settlement, and to assist at arriving at the truth.” Spencer v. Beverly, 307 So. 2d 461, 462 (Fla. 4th DCA 1975); Binger v. King Pest Control, 401 So. 2d 1310, 1313 (Fla. 1981); Elkins v. Syken, 672 So. 2d 517, 522 (Fla. 1996) (“Pretrial discovery was implemented to simplify the issues in a case, to eliminate the element of surprise, to encourage the settlement of cases, to avoid costly litigation, and to achieve a balanced search for the truth to ensure a fair trial.”).

Order No. PSC-2022-0194-PCO-EI. The same justifications apply to the listing and exchange of all potential exhibits in advance of hearing. As stated by the Florida Supreme Court:

Revelation . . . of the strength and weaknesses of each side before trial encourages settlement of cases and avoids costly litigation. Each side can make an intelligent evaluation of the entire case and may better anticipate the ultimate results.

Surf Drugs, Inc. v. Vermette, 236 So. 2d 108, 111 (Fla. 1970).

A ruling from the Florida Public Employee Relations Commission held that a prehearing order requiring full disclosure and exchange of exhibits comports with basic due process. See Henderson v. Dep’t of Child. & Fams., 2011 WL 13486273 (PERC June 15, 2011). Also, in an “Order to Exchange Exhibits,” an administrative law judge at the Division of Administrative Hearings (DOAH) noted that the failure to exchange exhibits leads to trial by ambush which is not permitted in Florida. See Nelson v. Ag. for Health Care Admin., Case No. 19-1562 (DOAH June 28, 2019).

The standard prehearing procedure at DOAH, including punitive proceedings, is for the presiding officer to issue both an Order of Prehearing Instructions – akin to the Commission’s OEP – and a Notice of Hearing. In accordance with due process considerations, standard practice at DOAH requires a list of and exchange of all exhibits.

The supreme court has held:

[T]he general policy of full and open disclosure underlying the decision has been carried forward in Florida's rules of discovery. The goals of these procedural rules are “to eliminate surprise, to encourage settlement, and to assist in arriving at the truth.” We recently reiterated those goals.

A search for truth and justice can be accomplished only when all relevant facts are before the judicial tribunal. Those relevant facts should be the determining factor rather than gamesmanship, surprise, or superior trial tactics.

Binger, 401 So. 2d at 1313 (internal citations omitted) (quoting Dodson v. Persell, 390 So. 2d 704, 707 (Fla 1980)).

All parties are governed by the same requirements. Staff believes there are no due process violations from requiring parties to exchange all potential exhibits in advance of hearing, including cross-examination exhibits. The requirement to list and exchange all exhibits promotes due process, transparency, and judicial economy. The failure to do so impedes these objectives.

Consequently, staff believes the prehearing officer did not make a mistake of fact or law when issuing the OEP or Section V(F) requiring disclosure of cross-examination exhibits. Therefore, staff recommends that EU's Motion for Reconsideration be denied.

Issue 3: Should this docket be closed?

Recommendation: No. This docket should remain open pending the Commission's final decision on EU's application. (Thompson)

Staff Analysis: This docket should remain open pending the Commission's final decision on EU's application.

Item 3

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850**-M-E-M-O-R-A-N-D-U-M-**

DATE: September 19, 2024

TO: Office of Commission Clerk (Teitzman)

FROM: Office of Industry Development and Market Analysis (Deas, Fogleman)^{CH}
Office of the General Counsel (Farooqi, Marquez)^{AH}

RE: Docket No. 20240112-TP – Petition for designation as an eligible telecommunications carrier in the State of Florida, by Air Voice Wireless, LLC d/b/a AirTalk Wireless.

AGENDA: 10/01/24 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Clark

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

On August 2, 2024, Air Voice Wireless, LLC d/b/a AirTalk Wireless (Air Voice or Company) filed a petition with the Florida Public Service Commission (FPSC or Commission) seeking designation as an eligible telecommunications carrier (ETC) in the State of Florida. Air Voice's request for ETC designation is for the sole purpose of providing Lifeline services to qualifying consumers throughout Florida. Air Voice is a provider of commercial mobile radio service (CMRS) and offers prepaid wireless telecommunications services to consumers as a reseller. Specifically, Air Voice uses the network infrastructure and wireless transmission facilities of AT&T to operate as a Mobile Virtual Network Operator. Air Voice is currently designated as an ETC providing Lifeline service in 40 other states.

As a CMRS provider, Air Voice is regulated as a common carrier pursuant to 47 U.S.C. § 153(11).¹ Air Voice is a Texas Limited Liability Company (LLC) authorized to do business as a foreign LLC in the State of Florida. Air Voice is a wholly owned subsidiary of VTel Holdings, LLC which is wholly owned by Henry Hung Do.

Air Voice asserts that it meets all applicable federal requirements for designation as a Lifeline only ETC in Florida pursuant to 47 U.S.C. § 214(e) and 47 C.F.R. § 54.201. Air Voice acknowledges and asserts that, if approved it will comply with Sections 364.10 and 364.105, Florida Statutes (F.S.), and Rule 25-4.0665, Florida Administrative Code (F.A.C.), which govern Lifeline service and provide transitional discount for customers who no longer qualify for Lifeline.

Section 214(e)(2) of the Telecommunications Act of 1996 (the Act) provides state public utility commissions with “primary responsibility” for the designation of ETCs. In addition, Section 364.10(3) F.S. specifically grants the Commission jurisdiction to address wireless ETC petitions for Lifeline purposes only.

¹ 47 U.S.C. § 153(11) (defining a common carrier as “any person engaged as a common carrier for hire, in interstate or foreign communications by wire or radio”); 47 U.S.C. § 332(c)(1)(A) (treating commercial mobile service providers as common carriers).

Discussion of Issues

Issue 1: Should Air Voice be granted ETC designation to provide Lifeline service throughout the State of Florida?

Recommendation: Yes. Air Voice should be granted an ETC designation to provide Lifeline service throughout the State of Florida. Staff also recommends that if there is a future change of Company ownership, the new owners should be required to file a petition with the Commission to demonstrate that it is in the public interest to maintain the Company's ETC designation. (Deas, Fogleman, Farooqi, Marquez)

Staff Analysis: ETC designation is necessary for telecommunications companies to participate in the federal Lifeline program.² Section 364.10(3), F.S. allows the Commission to approve wireless Lifeline ETC petitions by requesting carriers. Federal rules outline the requirements for ETC designation.³ To obtain ETC designation to provide Lifeline services, federal rules require that carriers:

- 1) Be a common carrier;
- 2) Offer the services that are supported by the federal universal support mechanisms either using its own facilities or a combination of its own facilities and resale of another carrier's services;
- 3) Advertise the availability of its Lifeline service through a media of general distribution;
- 4) Provide voice grade access to the public switch network or its functional equivalent;
- 5) Offer minutes of use for local service at no additional charge to end users;
- 6) Provide access to the emergency services available by local government or other public safety organizations;
- 7) Provide Broadband Internet Access Service;⁴
- 8) Demonstrate financial and technical capability to provide Lifeline service; and
- 9) Not charge Lifeline customers a monthly number-portability charge.

² 47 U.S.C. § 254(e)

³ 47 U.S.C. § 214(e)(1); 47 C.F.R. § 54.101, 54.201, 54.401. While Section 54.101(a) also includes requirements addressing toll limitation services to qualifying low-income consumers, the Federal Communications Commission in its 2012 Lifeline and Link Up Reform Order (FCC 12-11) stated that: "ETCs are not required to offer toll limitation service to low-income consumers if the Lifeline offering provides a set amount of minutes that do not distinguish between toll and non-toll calls."

⁴ Broadband Internet Access Service (BIAS) is defined as a mass-market retail service that provides the capability to transmit and receive data, but excluding dial-up service.

In addition, Florida law requires the following for ETC designation:

- 1) Offer discounted transitional basic telecommunications service.⁵
- 2) Participate in the Lifeline Promotion Process.⁶

Forbearance of Facilities Requirements

Air Voice plans to offer all of the supported services enumerated under Section 254(c) of the Act through its wireless resale agreement with AT&T. Therefore, it sought forbearance of the facilities requirement from the Federal Communications Commission (FCC). On December 26, 2012, the FCC approved Air Voice's compliance plan that is a condition for obtaining forbearance from the facilities requirement for the provision of Lifeline service.⁷ As part of its compliance plan Air Voice committed to do the following:⁸

- 1) Provide the supported services throughout the carrier's designated area;
- 2) Remain functional in emergency situations;
- 3) Comply with the Cellular Telecommunications and Internet Association's Consumer Code for Wireless Service;
- 4) Demonstrate that it is financially and technically capable of providing the Lifeline service in compliance with federal rules; and
- 5) Describe the terms and conditions of the broadband Internet access service plans offered to Lifeline subscribers.

Because Air Voice will offer the supported services and is compliant with the FCC requirements pursuant to 47 U.S.C. § 214(e) and 47 C.F.R. § 54.201, as well as the Florida specific requirements, Air Voice is eligible for designation as a Lifeline only ETC in Florida.

Financial, Managerial, and Technical Capabilities

Air Voice states it has been a wireless provider for 24 years and a Lifeline provider for 11 years. The Company has operated as an ETC in 40 states and has not been subject to any ETC revocation proceedings. While Air Voice has had ownership changes and enforcement actions by the FCC, which were resolved promptly, the Company has not had any bankruptcies under the

⁵ Section 364.105, F.S., states that each ETC shall offer a residential basic local telecommunications service at 70 percent of the residential local telecommunications service rate for any Lifeline subscriber who no longer qualifies for Lifeline for a period of 1 year after the date the subscriber ceases to qualify for Lifeline.

⁶ Rule 25-4.0665(3), F.A.C. The Lifeline Promotion Process is an electronic system developed in collaboration with the Florida Department of Children and Families, ETCs and the FPSC. This system helps assist ETCs and the FPSC in providing information on how to apply for Lifeline assistance to eligible customers.

⁷ FCC, Public Notices, DA 12-2063, released December 26, 2012; DA 21-1641, released December 23, 2021; DA 24-209, released March 6, 2024.

⁸ 47 C.F.R. § 54.202(a).

current ownership.⁹ At present, the Company is in good standing with the FCC. The Company has over 25 years of technical and managerial experience, and it does not rely exclusively on Lifeline reimbursements for its operating revenues. As Air Voice will be providing resold wireless service, it will also rely upon the managerial and technical expertise of its underlying carrier.

Public Interest

State commissions are required to find that ETC designation is in the public interest.¹⁰ Air Voice asserts granting its ETC designation will increase options for Lifeline eligible consumers by providing an additional choice of providers. Moreover, Air Voice contends that wireless service offers a more reliable mode of communication. After a thorough evaluation, staff determined that in addition to broadening consumer choice and improving service stability, Air Voice's offerings are competitive and comparable to existing services. Therefore, staff believes that granting Air Voice ETC designation would serve the public interest.

Conclusion

Staff has reviewed Air Voice's petition for ETC designation in Florida. Air Voice meets the requirements for designation as an ETC. Additionally, the Company has demonstrated sufficient financial, managerial, and technical capabilities. Therefore, staff recommends Air Voice should be granted ETC designation in the service areas identified in Attachment A of this recommendation. Staff further recommends that if there is a future change of Company ownership, the new owners should be required to file a petition with the Commission to demonstrate that it is in the public interest to maintain the Company's ETC designation.

⁹ Under previous ownership, Air Voice received a notice of apparent liability in 2014 (DA -14-175) for a late report filing. In 2024, it entered into a consent decree to resolve a failure to provide Lifeline service to all qualifying consumers (DA 24-175). Air Voice agreed to pay a \$150,000.00 fine, of which \$133,333.33 was attributable to Air Voice conduct under previous ownership and \$16,666.67 was due to conduct under the current ownership. This issue was resolved shortly after the company was acquired by new owners.

¹⁰ 47 U.S.C. § 214(e)(2).

Issue 2: Should this docket be closed?

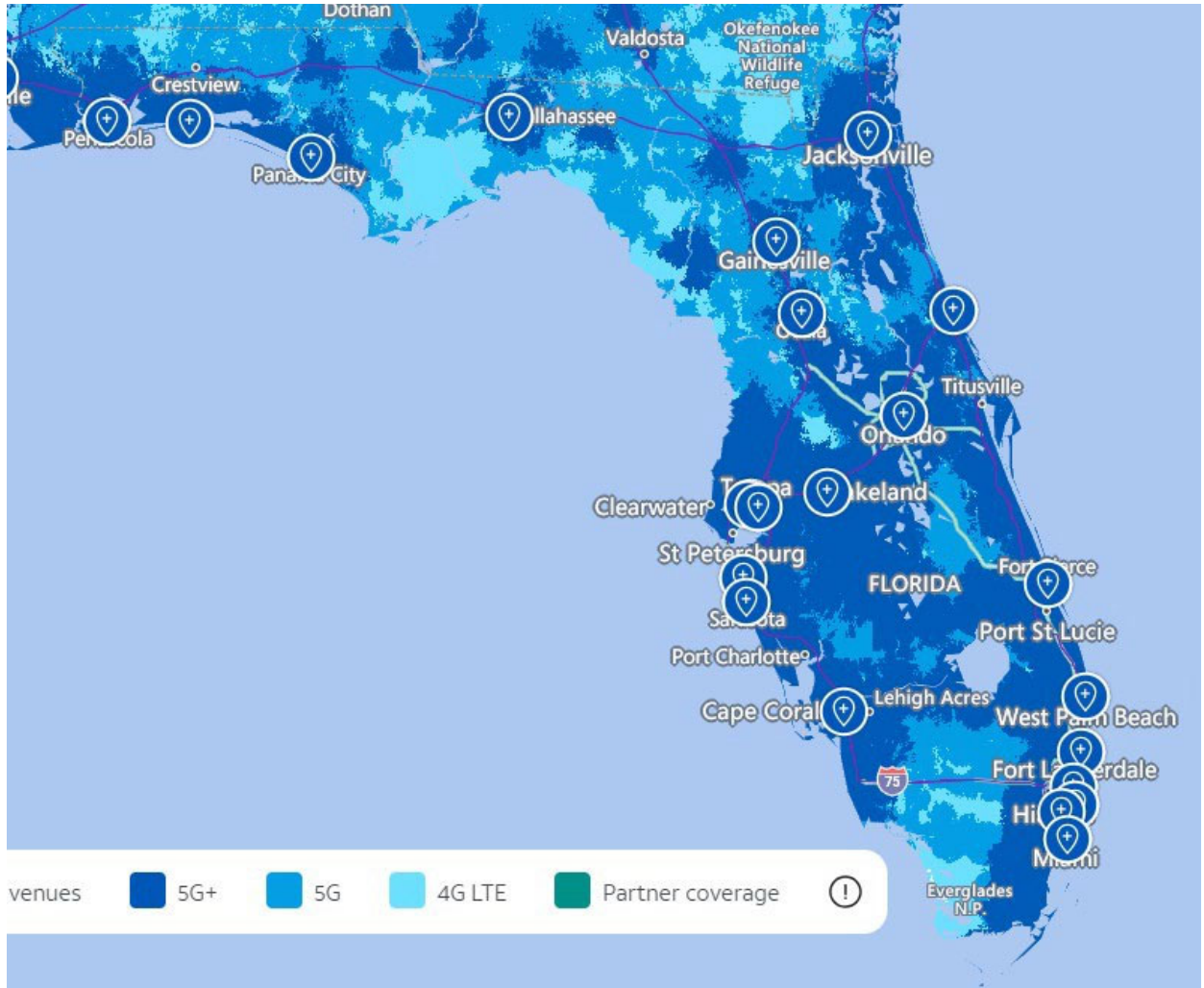
Recommendation: Yes. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the Proposed Agency Action Order, this docket should be closed upon the issuance of a consummating order. (Farooqi, Marquez)

Staff Analysis: At the conclusion of the protest period, if no protest is filed, this docket should be closed upon the issuance of a consummating order.

EXHIBIT A

DESIGNATED SERVICE AREA

AirVoice is proposing to offer Lifeline supported service throughout the State of Florida, as illustrated in the following coverage map for AirVoice’s underlying carrier, AT&T:



Item 4

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: September 19, 2024

TO: Office of Commission Clerk (Teitzman)

FROM: Office of the General Counsel (Marquez) *AEH*
Division of Accounting and Finance (Richards, Higgins, Kelley, Mouring) *ALM*

RE: Docket No. 20230131-WS – Application for staff-assisted rate case in Putnam County, by St. Johns River Estates Utilities, LLC

AGENDA: 10/01/2024 – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Clark

CRITICAL DATES: April 30, 2025 (15-month statutory deadline pursuant to Section 367.0814(2), Florida Statutes)

SPECIAL INSTRUCTIONS: None

Case Background

St. Johns River Estates Utilities, LLC (“St. Johns” or “Utility”) is a water and wastewater utility serving approximately 90 customers in Putnam County, Florida. On November 30, 2023, St. Johns filed an application for staff-assisted rate case (“SARC”) pursuant to Section 367.0814, Florida Statutes (“F.S.”), and Rule 25-30.455, Florida Administrative Code (“F.A.C.”).¹ The application was accepted by Florida Public Service Commission Staff (“Commission staff”) on December 22, 2023.² However, St. Johns failed to remit its \$1,200 filing fee which resulted in an application denial.³

¹ Document No. 06394-2023, Docket No. 20230131-WS, filed November 30, 2023.

² Document No. 06729-2023, Docket No. 20230131-WS, filed December 22, 2023 (establishing January 22, 2024, as official date of filing and filing fee due date).

³ Document No. 00363-2024, Docket No. 20230131-WS, filed January 29, 2024.

Docket No. 20230131-WS

Date: September 19, 2024

St. Johns then filed a new application for SARC on January 30, 2024, coupled with its \$1,200 filing fee.⁴ This second application was accepted by Commission staff with January 30, 2024, as the official date of filing.⁵

After acceptance, Commission staff determined that St. Johns was no longer eligible for a SARC because the Utility is not in compliance with Commission rules that require the filing of an Annual Report and payment of regulatory assessment fees (“RAFs”). A notice of late Annual Report and delinquent RAFs for 2023 was sent to St. Johns via certified U.S. mail on August 1, 2024.⁶

The Commission has jurisdiction over this matter pursuant to Section 367.0814, F.S.

⁴ Document No. 00410-2024, Docket No. 20230131-WS, filed January 30, 2024.

⁵ Document No. 00521-2024, Docket No. 20230131-WS, filed February 2, 2024.

⁶ Document No. 08327-2024, Docket No. 20230131-WS, filed August 8, 2024.

Discussion of Issues

Issue 1: Does St. Johns remain eligible for a SARC?

Recommendation: No. An applicant must continuously meet all eligibility criteria in Rule 25-30.455(1), F.A.C., to qualify for a SARC. St. Johns' failure to pay its 2023 RAF balance means it is not eligible for a SARC at this time. Therefore, the Commission should deny the SARC application. (Marquez)

Staff Analysis: To be eligible for a SARC, an applicant must meet certain threshold requirements detailed in Rule 25-30.455(1)(a)–(c), F.A.C. Specifically, it must (1) have total gross annual operating revenues no more than \$335,000 for water service or wastewater service (or \$670,000 on a combined basis); (2) have at least one year of experience operating the utility for which the rate increase is sought; (3) be in compliance with annual report filings pursuant to Rule 25-30.110(3)–(5), F.A.C.; and (4) be up-to-date with all RAF payments. Failure to satisfy any one of those criteria renders a utility ineligible for a SARC.

On August 1, 2024, Commission staff sent a certified letter to St. Johns. The letter notified the Utility of the change in circumstances now making it ineligible for a SARC. Nonetheless, Commission staff provided St. Johns over three weeks time to remedy the deficiencies. St. Johns needed to do the following by August 23, 2024:

- (1) File its 2023 Annual Report;
- (2) Pay an Annual Report late fee of \$485.00;
- (3) Pay the 2023 water RAF, including penalties, of \$959.82; and
- (4) Pay the 2023 wastewater RAF, including penalties, of \$1,293.26.

Pursuant to Rule 25-30.110(3)(a), F.A.C., each utility must file an annual report with the Commission by March 31st for the preceding year ending December 31st. St. Johns filed its 2023 Annual Report five months late on August 16, 2024. Rule 25-30.110(6), F.A.C., sets forth the penalties for delinquent annual reports. The applicable penalty for a Class C utility is \$3.00 per day plus interest, based on the number of calendar days elapsed from the date due until the date filed. St. Johns remitted a check to cover the late fee in the amount of \$420. Although not the full sum required, Commission staff is willing to waive the remaining balance of less than \$50.00.

Pursuant to Rule 25-30.120(2)(b), F.A.C., small water and wastewater utilities must file their RAFs with the Commission by March 31st for the proceeding year ending December 31st. St. Johns has not paid its 2023 regulatory assessment fees.⁷ As of August 23, 2024, the amount due for 2023 water RAF, plus penalties pursuant to Rule 25-30.120(7), F.A.C., was \$959.82. As of the same date, the amount due for 2023 wastewater RAF, plus penalties, was \$1,293.26. The Commission has not received payment. Nor has St. Johns entered into a RAF repayment plan.

⁷ On April 2, 2024, the Commission received two RAF checks from St. Johns, but each check bounced.

To date, the RAF payments remain outstanding. Commission staff recommends that the Commission deny the SARC application because St. Johns' failure to pay RAFs has rendered it ineligible to qualify for a SARC pursuant to Rule 25-30.455(1), F.A.C.

Issue 2: Should this docket be closed?

Recommendation: Yes. (Marquez)

Staff Analysis: Having denied St. Johns' application for SARC, the docket should be closed.

Item 5

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: September 19, 2024

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Economics (Guffey, Hampson, Hudson) *CGP*
 Division of Accounting and Finance (G. Kelley, Higgins, D. Buys, Ferrer) *ALM*
 Office of the General Counsel (Brownless) *JSC*

RE: Docket No. 20240099-EI – Petition for rate increase by Florida Public Utilities Company.

AGENDA: 10/01/24 – Regular Agenda – Decision on Interim Rates and Tariff Suspension – Participation is at the Commission’s Discretion

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Passidomo

CRITICAL DATES: 10/21/24 (60-Day Suspension Date, 60-Day Interim Date)

SPECIAL INSTRUCTIONS: None

Case Background

Florida Public Utilities Company (FPUC or Company) filed a test year notification letter with the Commission on June 18, 2024, in which the Company indicated its intent to seek a permanent increase in its rates and charges based on a test year ending December 31, 2025, and a request for an interim rate increase. On August 22, 2024, FPUC filed its petition for an increase in base rates, as well as minimum filing requirements schedules (MFRs) and the direct testimony of 10 witnesses. The Company is engaged in business as a public utility providing electric service as defined in Section 366.02, Florida Statutes (F.S.), and is subject to the jurisdiction of the Florida Public Service Commission (Commission). FPUC serves approximately 18,100 retail customers in Calhoun, Liberty, and Jackson counties in the Company’s Northwest Division and approximately 15,000 retail customers in Nassau County in its Northeast Division.

FPUC requested an increase in base rates to generate an additional \$12,593,450 in annual revenues. The requested increase, according to FPUC, will provide the Company with an opportunity to earn a rate of return of 6.89 percent on the Company's plant and property used to serve its customers and a return on equity of 11.30 percent. The Company based its request on a 13-month average rate base of \$150,053,096 for the projected test year ending December 2025.

FPUC stated in its petition that the requested test year period ending December 31, 2025, is the most relevant period upon which the Company's operations should be analyzed for purposes of establishing rates for the period in which the new rates will be in effect. The Company further stated that this period will be indicative of its actual revenues, expenses, and investment during the first 12 months that the new rates will be in effect. The Commission last granted FPUC an approximately \$3.75 million rate increase by Order No. PSC-14-0517-S-EI.¹

In its petition, FPUC also requested an interim rate increase in its base rates and charges to generate \$1,812,869 in additional gross revenues until the permanent rates become effective. The Company has based its interim request on a historical test year ended December 31, 2023. In its petition, FPUC stated that it will hold any revenues collected, subject to refund, with interest at a rate determined pursuant to Rule 25-6.0435(3), Florida Administrative Code (F.A.C.) and that it be allowed to collect the interim increase subject to a corporate undertaking.

On September 4, 2024, the Office of Public Counsel (OPC) filed its notice of intervention in this docket and the Order acknowledging the intervention was issued on September 5, 2024.² On September 4, 2024, FPUC filed revisions to MFR Schedules B-2 and G-3 to correct a reference to the prior rate case order. No numeric values were changed.

This recommendation addresses FPUC's interim rate increase request and the suspension of the requested permanent rate increase. The Commission has jurisdiction over this request for a rate increase and interim rate increase under Sections 366.06 and 366.071, F.S.

¹ Order No. PSC-14-0517-S-EI, issued September 29, 2014, in Docket No. 20140025-EI, *In re: Application for rate increase by Florida Public Utilities Company*.

² Order No. PSC-2024-0408-PCO-EI, issued September 5, 2024, in Docket No. 20240099-EI, *In re: Petition for rate increase by Florida Public Utilities Company*.

Discussion of Issues

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

Recommendation: Yes. Staff recommends that the requested permanent increase in rates and charges be suspended for FPUC. (Guffey)

Staff Analysis: Staff recommends that the requested permanent increase in rates and charges be suspended for FPUC to allow staff time to analyze the case. During the analysis to date, staff issued its first data request to FPUC on September 12, 2024 for which the responses are due on September 26, 2024. Staff will be issuing additional data requests to the Company during the review process. On August 27, 2024, the Company was advised that the Commission will conduct an audit for which the formal review report is expected to be issued on November 13, 2024. Additionally, staff is finalizing the review of the Company's Minimum Filing Requirements and the review letter to the Company will be issued on or by September 20, 2024. In light of the ongoing activities in this rate case and pursuant to Section 366.06(3), F.S., the Commission may withhold consent to the operation of all or any portion of a new rate schedule, delivering to the utility requesting such a change, a reason, or written statement of good cause for doing so within 60 days. Staff believes that the reasons stated above are good cause consistent with the requirements of Section 366.06(3), F.S.

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

Recommendation: Yes. FPUC's proposed rate base of \$116,666,956 for the interim historical test year ended December 31, 2023, is appropriate. (G. Kelley, Higgins)

Staff Analysis: In its filing, the Company proposed an interim 13-month average rate base of \$116,666,956 for the period ended December 31, 2023. Pursuant to Section 366.071(5)(a), F.S., the Company is permitted to elect either an average or year-end rate base to calculate its interim revenue request. Staff has reviewed the rate base adjustments made in the current interim filing for consistency with the rulings made in the Company's last rate case order.³ Based on staff's preliminary review, FPUC made the applicable and appropriate adjustments consistent with the previous rate case. Therefore, staff recommends that \$116,666,956 is the appropriate amount of rate base for the 2023 interim historical test year ended December 31, 2023. The associated calculations are shown on Attachment A.

³ Order No. PSC-14-0517-S-EI, issued September 29, 2014, in Docket No. 140025-EI, *In re: Application for rate increase by Florida Public Utilities Company*.

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

Recommendation: Yes. The appropriate interim return on equity for FPUC should be 9.25 percent and overall rate of return should be 4.95 percent. (Ferrer)

Staff Analysis: Pursuant to Section 366.07(2)(a), F.S., the appropriate return on equity (ROE) for purposes of determining an interim rate increase is the minimum of the Company's currently authorized ROE range. FPUC's authorized ROE and range is 10.25 percent plus or minus 100 basis points. The Commission set the return and range by Order No. PSC-14-0517-S-EI.⁴ For its interim request, the Company appropriately used an ROE of 9.25 percent.

Staff recommends the capital structure of FPUC for the historical 13-month average test year reflect an ROE of 9.25 percent, resulting in an overall cost of capital of 4.95 percent. Attachment B details the calculations of the overall cost of capital.

⁴ *Id* at Page 2.

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

Recommendation: Yes. The appropriate interim test year ended December 31, 2023, net operating income for FPUC should be \$4,429,839. (G. Kelley, Higgins)

Staff Analysis: The proposed interim test year net operating income (NOI) for FPUC of \$4,429,839 is the 12-month amount for the historical test year ended December 31, 2023. Staff has reviewed the NOI adjustments made in the current interim filing for consistency with the rulings made in the Company's last rate case.⁵ Based on staff's preliminary review, FPUC made the applicable and appropriate adjustments consistent with the previous rate case. The associated calculation is shown on Attachment A.

⁵ Order No. PSC-14-0517-S-EI, issued September 29, 2014, in Docket No. 140025-EI, *In re: Application for rate increase by Florida Public Utilities Company*.

Issue 5: Is FPUC’s proposed interim net operating income multiplier appropriate?

Recommendation: No. The appropriate interim net operating income multiplier should be 1.3496. (G. Kelley, Higgins)

Staff Analysis: On MFR Schedule G-18, the Company calculated a NOI multiplier of 1.3477. This multiplier is based on a revenue expansion factor of 74.2015 percent, formulated using a 21 percent Federal Income Tax rate, a 5.50 percent state income tax rate, a 0.5227 percent bad debt rate, and a 0.0848 percent factor for regulatory assessment fees. However, the Company’s proposed interim bad debt rate includes projected data. The proposed interim bad debt rate reflects the average of the 2023 historical test year, the 2024 prior year, and the 2025 projected test year. Staff believes only historical data should be considered for determining an interim bad debt rate. Thus, staff re-calculated an interim bad debt rate based on a three-year historical average of calendar years 2021, 2022, and 2023. This resulted in an average bad debt rate of 0.6628 percent. Therefore, staff recommends that 1.3496 is the appropriate NOI multiplier. The NOI multiplier calculation is shown in Table 5-1.

**Table 5-1
 Interim NOI Multiplier**

<u>Description</u>	
Revenue Requirement	100.000%
Less Regulatory Assessment Fee	0.0848%
Less Staff Calc. Bad Debt Rate	<u>0.6628%</u>
Net Before Income Taxes	99.252%
Less State Income Tax @ 5.5%	5.459%
Net Before Federal Income Tax	93.794%
Less Federal Income Tax @ 21%	<u>19.697%</u>
Revenue Expansion Factor	<u>74.097%</u>
NOI Multiplier (100/74.097)	<u>1.3496</u>

Issue 6: Should FPUC’s requested interim revenue increase be granted?

Recommendation: Yes. The appropriate interim revenue increase for FPUC should be \$1,812,869. (G. Kelley, Higgins)

Staff Analysis: FPUC requested interim rate relief in the amount of \$1,812,869. As discussed in Issue 5, staff is recommending an adjustment to the NOI multiplier. The application of the revised NOI multiplier results in a new interim revenue increase of \$1,815,448, for a difference of \$2,579. However, staff recommends that the increase be limited to only the Company’s requested interim amount of \$1,812,869.

Staff believes the Company’s requested revenue increase would allow FPUC an opportunity to earn an overall rate of return of 4.95 percent. The overall rate of return of 4.95 percent is calculated using a return on equity of 9.25 percent which is the bottom of FPUC’s currently authorized range.⁶

After a determination on the permanent rate increase has been made, the interim revenue will be reviewed to determine if any portion should be refunded to customers. The calculation of the interim revenue increase is shown in Table 6-1.

Table 6-1
Interim Revenue Increase

<u>Description</u>	
Jurisdictional Adjusted Rate Base	\$116,666,956
Overall Rate of Return	<u>4.95%</u>
Jurisdictional Net Operating Income Requested	\$5,775,014
Jurisdictional Adjusted Net Operating Income	<u>\$4,429,839</u>
Revenue Deficiency	\$1,345,175
As-Filed Net Operating Income Multiplier	<u>1.3477</u>
Interim Revenue Increase	<u>\$1,812,869</u>
Base Rate Revenues	<u>\$24,525,209</u>
Recommended Percentage Increase	7.39%

⁶ *Id* at Page 2.

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

Recommendation: Yes, FPUC's proposed interim rates and associated tariffs as shown in Attachment C should be approved. The interim rates should be made effective for all meter readings occurring on or after 30 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. (Guffey)

Staff Analysis: As discussed in Issue 6, staff recommends that the appropriate interim revenue increase is \$1,812,869. The interim rates should be made effective for all meter readings occurring on or after 30 days from the date of the Commission vote. MFR Schedule G-20 demonstrates that the proposed interim revenue increase was applied uniformly to all existing rate classes, as required by Rule 25-6.0435, F.A.C. Attachment C to the recommendation provides the proposed interim tariff sheet Nos. 40, 43, 45, 47, 50, 52, 56, 57, and 61. 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. (Ferrer)

Staff Analysis: Staff recommends that all funds collected subject to refund be secured by a corporate undertaking. The criteria for a corporate undertaking include sufficient liquidity, ownership equity, profitability, and interest coverage to guarantee any potential refund. FPUC requested an interim revenue increase of \$1,812,869. Based on an estimated eight-month collection period of interim rates, staff calculated the estimated amount of revenues that would be collected to be \$1,208,579. Pursuant to Rule 25-6.0435, F.A.C., Interim Rate Relief, interim rate relief collected is subject to refund pending final order in the permanent rate relief request. Such increase shall be subject to a corporate undertaking or under bond as authorized by the Commission and any refund shall be made with an interest factor determined by using the 30-day commercial paper rate. Staff estimated the interest on the estimated amount collected is \$21,580. The estimated amount that should be protected and guaranteed is \$1,230,159. Staff reviewed FPUC's three most recent annual reports filed with the Commission (2023, 2022, and 2021) to determine if the Company can support a corporate undertaking to guarantee the funds collected during the interim collection period. FPUC's financial information demonstrates the Company has acceptable levels of liquidity, ownership equity, and interest coverage to support a potential refund of \$1,230,159.

Staff believes FPUC has adequate resources to support a corporate undertaking in the amount recommended of \$1,230,159. Based on this analysis, staff recommends that a corporate undertaking of \$1,230,159 is acceptable. This brief financial analysis is only appropriate for deciding if the Company can support a corporate undertaking in the amount requested and should not be considered a finding regarding staff's position on other issues in this proceeding.

Issue 9: Should this docket be closed?

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

Staff Analysis: This docket should remain open pending the Commission's final resolution of the Company's requested rate increase.

FLORIDA PUBLIC UTILITIES COMPANY
Docket No. 20240099-EI
Interim Historical Test Year
December 31, 2023

	Historical Test Year Per Company	Staff Adjustments	Adjusted Historical Test Year Per Staff
<u>Rate Base</u>			
Plant in Service	\$171,501,015	-	\$171,501,015
Accumulated Depreciation	(78,861,742)	-	(78,861,742)
Net Plant in Service	\$92,639,273	-	\$92,639,273
Construction Work In Progress	4,190,317	-	4,190,317
Net Utility Plant	\$96,829,590	-	\$96,829,590
Working Capital Allowance	19,837,366	-	19,837,366
Total Rate Base	\$116,666,956	-	\$116,666,956
<u>Income Statement</u>			
Total Operating Revenues	\$26,190,489	-	\$26,190,489
Operating Expenses:			
Operation & Maintenance – Fuel	-	-	-
Operation & Maintenance - Other	13,822,103	-	13,822,103
Depreciation & Amortization	5,304,884	-	5,304,884
Taxes Other Than Income	1,705,369	-	1,705,369
Income Taxes	5,868,734	-	5,868,734
Deferred Income Taxes - Net	(4,940,440)	-	(4,940,440)
(Gain)/Loss on Disposition	-	-	-
Total Operating Expenses	\$21,760,649	-	\$21,760,649
Net Operating Income	\$4,429,839	-	\$4,429,839
Overall Rate of Return	3.80%		3.80%

FLORIDA PUBLIC UTILITIES COMPANY
Docket No. 20240099-EI
Interim Historical Test Year
December 31, 2023

Capital Component	Jurisdictional Capital Structure	Ratio	Rate	Weighted Cost Rate
Long-Term Debt	\$34,811,456	0.2984	3.64%	1.09%
Short-Term Debt	\$6,376,054	0.0547	5.35%	0.29%
Customer Deposits	\$3,930,084	0.0337	2.22%	0.07%
Common Equity	\$44,148,564	0.3784	9.25%	3.50%
Deferred Income Taxes	\$22,517,273	0.1930	0.00%	0.00%
Regulatory Tax Liability	\$4,883,526	0.0419	0.00%	0.00%
Total	\$116,666,956	1.0000		4.95%

Florida Public Utilities Company
F.P.S.C. Electric Tariff
Third Revised Volume No. I

~~Fifth~~Sixth Revised Sheet No. 40
Cancels ~~Fourth~~Fifth Revised Sheet No. 40

*RATE SCHEDULES
RESIDENTIAL SERVICE*

Availability

Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties and on Amelia Island in Nassau County.

Applicability

Applicable for service to a single family dwelling unit occupied by one family or household and for energy used in commonly-owned facilities in condominium and cooperative apartment buildings.

Character of Service

Single-phase service at nominal secondary voltage of 115/230 volts; three-phase service if available.

Limitations of Service

The maximum size of any individual single-phase motor hereunder shall not exceed five (5) horsepower.

The Company shall not be required to construct any additional facilities for the purpose of supplying three-phase service unless the revenue to be derived therefrom shall be sufficient to yield the Company a fair return on the value of such additional facilities.

Monthly Rate

Customer Facilities Charge:

~~\$16.95~~\$18.20 per customer per month

Base Energy Charge:

~~2.3732~~2.548¢/KWH for usage up to 1000 KWH's/month

~~3.887~~4.174¢/KWH for usage above 1000 KWH's/month

Purchased Power Charges

Purchased power charges are adjusted by the Florida Public Service Commission, normally each year in January. For current purchased power costs included in the tariff, see Sheet Nos. 65 & 66.

Minimum Bill

The minimum monthly bill shall consist of the above Customer Facilities Charge.

(Continued on Sheet No. 41)

Issued by: ~~Jeffrey M. Householder, President~~Jeffrey Sylvester, Chief Operating Officer
Effective: ~~JAN 01 2021~~

Florida Public Utilities Company
F.P.S.C Electric Tariff
Third Revised Volume No. I

~~Fifth~~Sixth Revised Sheet No. 43
Cancels ~~Fourth~~Fifth Revised Sheet No. 43

*RATE SCHEDULE GS
GENERAL SERVICE – NON DEMAND*

Availability

Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties
And on Amelia Island in Nassau County.

Applicability

Applicable to commercial and industrial lighting, heating, cooking and small power loads aggregating
25 KW or less.

Character of Service

Single or three-phase service at available standard voltage.

Limitations of Service

Service shall be at a single metering point.

Monthly Rate

Customer Facilities Charge:

~~\$27.85~~\$29.91 per customer per month

Base Energy Charge:

All KWH ~~2.903~~3.118¢/KWH

Purchased Power Charges

Purchased power charges are adjusted by the Florida Public Service Commission, normally each year in
January. For current purchased power costs included in the tariff, see Sheet Nos. 65 & 66.

Minimum Bill

The minimum monthly bill shall consist of the above Customer Facilities Charge.

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of bill.

(Continued on Sheet No. 44)

Issued by: ~~Jeffrey M. Householder, President~~
Operating Officer

Jeffrey Sylvester, Chief
Effective: ~~JAN 01 2021~~

Florida Public Utilities Company
F.P.S.C Electric Tariff
Third Revised Volume No. I

~~Fifth~~Sixth Revised Sheet No. 45
Cancels ~~Fourth~~Fifth Revised Sheet No. 45

*RATE SCHEDULE GSD
GENERAL SERVICE – DEMAND*

Availability

Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties and on Amelia Island in Nassau County.

Applicability

Applicable to commercial, industrial and municipal service with a measured demand of 25 KW but less than 500 KW for three or more months out of the twelve consecutive months ending with the current billing period. Also available, at the option of the customer, to any customer with demands of less than 25 KW who agrees to pay for service under this rate schedule for a minimum initial term of twelve months.

Character of Service

Single or three-phase service at available standard voltage.

Limitations of Service

Service shall be at a single metering point at one voltage.

Monthly Rate

Customer Facilities Charge:
~~\$82.35~~\$88.44 per customer per month

Demand Charge:
Each KW of Billing Demand ~~\$4.49~~\$4.82/KW

Base Energy Charge
All KWH ~~0.547~~0.587¢/KWH

Purchased Power Charges

Purchased power charges are adjusted by the Florida Public Service Commission, normally each year in January. For current purchased power costs included in the tariff, see Sheet Nos. 65 & 66.

Minimum Bill

The minimum monthly bill shall consist of the above Customer Facilities Charge plus the Demand Charge for the currently effective billing demand.

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of bill.

Purchased Power Costs

See Sheet Nos. 65 & 66.

(Continued on Sheet No. 46)

Issued by: ~~Jeffrey M. Householder, President~~
Operating Officer

Jeffrey Sylvester, Chief
Effective: ~~JAN 01 2024~~

Florida Public Utilities Company
Sheet No. ~~4747~~
F.P.S.C. Electric Tariff
Third Revised Volume No. I

~~Fifth~~ Sixth Revised
Cancels ~~Fourth~~ Fifth Revised Sheet No. ~~4747~~

*RATE SCHEDULE GSLD
GENERAL SERVICE-LARGE DEMAND*

Availability

Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties and on Amelia Island in Nassau County.

Applicability

Applicable to commercial, industrial and municipal service with a measured demand of 500 KW but less than 5000 KW for three or more months out of the twelve consecutive months ending with the current billing period. Also available, at the option of the customer, to any customer with demands of less than 500 KW who agrees to pay for service under this rate schedule for a minimum initial term of twelve months.

Character of Service

Three-phase service at available standard voltage.

Limitations of Service

Service shall be at a single metering point at one voltage.

Monthly Rate

Customer Facilities Charge:

~~\$157.42~~ 169.06 per customer per month

Demand Charge:

Each KW of Billing Demand ~~\$6.42~~ 6.89/KW

Base Energy Charge

All KWH ~~0.254~~ 0.273¢/KWH

Purchased Power Charges

Purchased power charges are adjusted by the Florida Public Service Commission, normally each year in January. For current purchased power costs included in the tariff, see Sheet No. 65 & 66.

Minimum Bill

The minimum monthly bill shall consist of the above Customer Facilities Charge plus the Demand Charge for the currently effective billing demand.

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of bill.

Purchased Power Costs

See Sheet No. 65 & 66.

(Continued on Sheet No. 48)

Issued by: ~~Jeffrey M. Householder, President~~ Jeffrey Sylvester, Chief Operating Officer
Effective: ~~JAN 01 2021~~

Florida Public Utilities Company
F.P.S.C. Electric Tariff
Third Revised Volume No. I

~~Fifth~~^{Sixth} Revised Sheet No. ~~50~~⁵⁰
Cancels ~~Fourth~~^{Fifth} Revised Sheet No. ~~50~~⁵⁰

RATE SCHEDULE GSLD 1
GENERAL SERVICE - LARGE DEMAND 1

Availability

Available within the territory served by the Company in Jackson, Calhoun, and Liberty Counties and on Amelia Island in Nassau County.

Applicability

Applicable to commercial and industrial services of customers contracting for at least 5,000 kilowatts of electric service.

Character of Service

Three-phase, 60 hertz, electric service delivered and metered at a single point at the available transmission voltage, nominally 69,000 volts or higher.

Monthly Base Rates

Customer Facilities Charge:	\$974.80 <u>1,046.86</u>
Base Transmission Demand Charge:	\$1.92 <u>1.95</u> /KW of Maximum/NCP Billing Demand
Excess Reactive Demand Charge:	\$0.440 <u>.47</u> /kVar of Excess Reactive Demand

Purchased Power Charges (See Sheet 52 for descriptions)

The Purchased Power Charges recover Energy and Demand Charges billed to FPUC by FPUC's Wholesale Energy Provider and Wholesale Cogeneration Provider including applicable line losses and taxes. Purchased power charges are adjusted by the Florida Public Service Commission, normally each year in January. For correct purchased power charges included in the tariff, see Sheet No. 70 & 71.

Minimum Bill

The minimum monthly bill is the sum of the Transmission Demand Charge and the Customer Charge plus any Purchased Power Charges attributed to Transmission Demand Fuel Charge.

Terms of Payment

Bills are rendered net and due and payable within twenty (20) days from date of bill.

Conservation Costs

See Sheet Nos. 65 & 66.

Franchise Fee Adjustment

Customers taking service within franchise areas shall pay a franchise fee adjustment in the form of a percentage to be added to their bills prior to the application of any appropriate taxes. This percentage shall reflect the customer's pro rata share of the amount the Company is required to pay under the franchise agreement with the specific governmental body in which the customer is located.

(Continued on Sheet No. 51)

Issued by: ~~Jeffrey M. Householder, President~~
Operating Officer

Jeffrey Sylvester, Chief
Effective: ~~JAN 01 2021~~

Florida Public Utilities Company
F.P.S.C. Electric Tariff
Third Revised Volume No. I

~~Fifth~~Sixth Revised Sheet No. 52
Cancels ~~Fourth~~Fifth Revised Sheet No. 52

*RATE SCHEDULE SB
STANDBY SERVICE*

Availability

Available within the territory served by the Company in Jackson, Calhoun and Liberty Counties and on Amelia Island in Nassau County.

Applicability

Applicable only to customers which are self-generators with capabilities of serving the customer's full electronic power requirements and that require backup and/or maintenance service on a firm basis. This rate schedule is not applicable to self-generating customers for supplemental service.

Character of Service

Single or three-phase service at available standard voltage.

Limitations of Service

Service shall be at a single metering point at one voltage. The contract demand shall not exceed the KW capacity of customer's generator.

Monthly Rate

Customer Facilities Charge:

- (a) For those customers who have contracted for standby service capacity of less than 500 KW- \$121.09.
- (b) For those customers who have contracted for standby service of 500 KW or greater- ~~\$974.80~~1,046.86.

Local Facilities Charge:

- (a) For those customers who have contracted for standby service capacity of less than 500 KW- \$3.15/KW.
- (b) For those customers who have contracted for standby service of 500 KW or greater - ~~\$0.790.85~~/KW.

Purchased Power Charges

Demand and energy used by the customer in any month shall be charged at the then currently effective rates of the Company's wholesale supplier adjusted for estimated line losses and applicable taxes. Such charges will consist of Coincident Peak (CP) Demand charge and an energy charge. The CP Demand shall be the customer's measured KW coincident in time with that of the Company's maximum monthly demand at the substation serving the system to which the customer is connected. The energy charge shall be applied to the measured KWH during the billing period and shall be based on the actual energy charge (including fuel charges) of the Company's wholesale supplier during the billing period.

The currently effective rates of the Company's wholesale supplier would result in the following demand and energy charges for purchased power after adjustment for estimated line losses and applicable taxes. These are shown for illustrative purposes only. Actual purchased power rates in effect at the time of use shall be used for determining the monthly unit charges.

CP Demand Charge - Each KW of CP Demand	\$5.62/KW
Energy Charge - All	3.583¢

(Continued on Sheet No. 53)

Issued by: ~~Jeffrey M. Householder, President~~
Operating Officer

~~Jeffrey~~ Sylvester, Chief
Effective: ~~JAN-01-2024~~

Florida Public Utilities Company
 F.P.S.C. Electric Tariff
 Third Revised Volume No. I

~~Sixth~~^{Seventh} Revised Sheet No. 56
 Cancels ~~Fifth~~^{Sixth} Revised Sheet No. 56

*RATE SCHEDULE LS
 LIGHTING SERVICE*

Availability

Available within the territory served by the Company in Calhoun, Jackson and Liberty Counties and on Amelia Island in Nassau County.

Applicability

Applicable to any customer for non-metered outdoor lighting service.

Character of Service

Lighting service from dusk to dawn as described herein.

Limitations of Service

Service is limited to lighting by high-pressure sodium vapor, metal halide, or light emitting diode lamps mounted on company poles as described herein. Company-owned facilities will be installed only on Company-owned poles.

Monthly Rate

When lighting fixtures are mounted on existing poles and served directly from existing overhead secondary distribution lines:

Type	Lamp	Size	KWH/Mo.	Facilities	Maintenance*	Energy	Total
<u>Facility</u>	<u>Lumens</u>	<u>Watts</u>	<u>Estimate</u>	<u>Charge</u>	<u>Charge</u>	<u>Charge</u>	<u>Charge</u>
<u>High Pressure Sodium Lights</u>							
Acorn	16,000	150	61	\$19.69 <u>21.15</u>	\$2.49 <u>2.67</u>	\$3.19 <u>3.43</u>	\$25.37 <u>27.25</u>
ALN 440	16,000	150	61	\$28.07 <u>30.14</u>	\$3.32 <u>3.57</u>	\$3.19 <u>3.43</u>	\$34.58 <u>37.14</u>
Amer. Rev.	9,500	100	41	\$9.66 <u>10.37</u>	\$3.29 <u>3.53</u>	\$2.15 <u>2.31</u>	\$15.10 <u>16.22</u>
Amer. Rev.	16,000	150	61	\$9.05 <u>9.72</u>	\$3.33 <u>3.58</u>	\$3.19 <u>3.43</u>	\$15.57 <u>16.72</u>
Cobra Head	9,500	100	41	\$7.25 <u>7.79</u>	\$2.11 <u>2.27</u>	\$2.15 <u>2.31</u>	\$11.51 <u>12.36</u>
Cobra Head	22,000	200	81	\$9.78 <u>10.50</u>	\$2.53 <u>2.72</u>	\$4.26 <u>4.57</u>	\$16.57 <u>17.79</u>
Cobra Head	28,500	250	101	\$11.63 <u>12.49</u>	\$3.33 <u>3.58</u>	\$5.30 <u>5.69</u>	\$20.26 <u>21.76</u>
Cobra Head	50,000	400	162	\$10.86 <u>11.66</u>	\$2.77 <u>2.97</u>	\$8.54 <u>9.17</u>	\$22.17 <u>23.81</u>
Flood	28,500	250	101	\$11.37 <u>12.21</u>	\$2.42 <u>2.60</u>	\$5.30 <u>5.69</u>	\$19.09 <u>20.50</u>
Flood	50,000	400	162	\$17.85 <u>19.17</u>	\$2.27 <u>2.44</u>	\$8.54 <u>9.17</u>	\$28.66 <u>30.78</u>
Flood	130,000	1,000	405	\$22.36 <u>24.01</u>	\$3.00 <u>3.22</u>	\$21.30 <u>22.87</u>	\$46.66 <u>50.11</u>
SP2 Spectra	9,500	100	41	\$24.81 <u>26.64</u>	\$3.10 <u>3.33</u>	\$2.15 <u>2.31</u>	\$30.06 <u>32.28</u>
<u>Metal Halide Lights</u>							
ALN 440	16,000	175	71	\$26.86 <u>28.85</u>	\$2.61 <u>2.80</u>	\$3.77 <u>4.05</u>	\$33.24 <u>35.70</u>
Flood	50,000	400	162	\$12.12 <u>13.02</u>	\$2.21 <u>2.37</u>	\$8.54 <u>9.17</u>	\$22.87 <u>24.56</u>
Flood	130,000	1,000	405	\$20.61 <u>22.13</u>	\$2.92 <u>3.14</u>	\$21.30 <u>22.87</u>	\$44.83 <u>48.14</u>
Shoebox	16,000	175	71	\$22.68 <u>24.36</u>	\$2.93 <u>3.15</u>	\$3.77 <u>4.05</u>	\$29.38 <u>31.55</u>
Shoebox	28,500	250	101	\$24.14 <u>25.92</u>	\$3.28 <u>3.52</u>	\$5.30 <u>5.69</u>	\$32.72 <u>35.14</u>
SP2 Spectra	9,500	100	41	\$24.62 <u>26.44</u>	\$3.00 <u>3.22</u>	\$2.15 <u>2.31</u>	\$29.77 <u>31.97</u>
Vertical Shoebox	130,000	1,000	405	\$25.45 <u>27.33</u>	\$3.32 <u>3.57</u>	\$21.30 <u>22.87</u>	\$50.07 <u>53.77</u>

(Continued on Sheet No. 57)

Issued by: ~~Jeffrey M. Householder, President~~
 Officer

Effective: ~~MAY 03 2022~~

Jeffrey Sylvester, Chief Operating

Florida Public Utilities Company
 F.P.S.C. Electric Tariff
 Third Revised Volume No. I

~~Sixth~~^{Seventh} Revised Sheet No. 57
 Cancels ~~Fifth~~^{Sixth} Revised Sheet No. 57

*RATE SCHEDULE LS
 LIGHTING SERVICE*

(Continued from Sheet No. 56)

Type Facility	Lamp Lumens	Size Watts	KWH/Mo. Estimate	Facilities Charge	Maintenance* Charge	Energy Charge	Total Charge
<u>Light Emitting Diode Lights</u>							
Cobra Head	5,682	50	17	\$6.58 <u>7.07</u>	\$2.08 <u>2.23</u>	\$0.89 <u>0.96</u>	\$9.55 <u>10.26</u>
Cobra Head	5,944	50	17	\$8.31 <u>8.92</u>	\$2.59 <u>2.78</u>	\$0.89 <u>0.96</u>	\$11.79 <u>12.66</u>
Cobra Head	9,600	82	28	\$7.78 <u>8.36</u>	\$2.43 <u>2.61</u>	\$1.47 <u>1.58</u>	\$11.68 <u>12.54</u>
Cobra Head	14,571	130	45	\$7.75 <u>8.32</u>	\$2.42 <u>2.60</u>	\$2.36 <u>2.53</u>	\$12.53 <u>13.46</u>
Cobra Head	28,653	210	72	\$13.55 <u>14.55</u>	\$3.95 <u>4.24</u>	\$3.78 <u>4.06</u>	\$21.28 <u>22.85</u>
Decorative	2,650	26	9	\$7.78 <u>8.36</u>	\$2.72 <u>2.92</u>	\$0.47 <u>0.50</u>	\$10.97 <u>11.78</u>
Decorative	4,460	44	15	\$7.71 <u>8.28</u>	\$2.69 <u>2.89</u>	\$0.79 <u>0.85</u>	\$11.19 <u>12.02</u>
Decorative	10,157	90	31	\$11.44 <u>11.96</u>	\$3.71 <u>3.98</u>	\$1.63 <u>1.75</u>	\$16.48 <u>17.70</u>
Decorative	7,026	60	21	\$19.74 <u>21.20</u>	\$6.25 <u>6.71</u>	\$1.10 <u>1.18</u>	\$27.09 <u>29.09</u>
Flood	12,500	80	27	\$10.80 <u>11.60</u>	\$3.40 <u>3.65</u>	\$1.42 <u>1.52</u>	\$15.61 <u>16.77</u>
Flood	24,000	170	58	\$10.80 <u>11.60</u>	\$3.40 <u>3.65</u>	\$3.05 <u>3.28</u>	\$17.24 <u>18.53</u>
Flood	20,686	150	52	\$10.80 <u>11.60</u>	\$3.40 <u>3.65</u>	\$2.73 <u>2.93</u>	\$16.93 <u>18.18</u>
Flood	38,500	290	100	\$10.80 <u>11.60</u>	\$3.40 <u>3.65</u>	\$5.25 <u>5.64</u>	\$19.45 <u>20.89</u>
Shoe Box	20,050	150	52	\$9.52 <u>10.22</u>	\$3.23 <u>3.47</u>	\$2.73 <u>2.93</u>	\$15.48 <u>16.62</u>
Shoe Box	17,144	131	45	\$10.72 <u>11.51</u>	\$3.59 <u>3.86</u>	\$2.36 <u>2.53</u>	\$16.67 <u>17.90</u>

Charges for other Company-owned facilities:

- 1) 30' Wood Pole \$4.825.18
- 2) 40' Wood Pole Std \$10.7211.51
- 3) 18' Fiberglass Round \$9.9810.72
- 4) 13' Decorative Concrete \$14.1415.19
- 5) 20' Decorative Concrete \$16.4117.62
- 6) 35' Concrete Square \$15.8317.00
- 7) 10' Deco Base Aluminum \$18.5619.93
- 8) 30' Wood Pole Std \$3.365.76

For the poles shown above that are served from an underground system, the Company will provide up to one hundred (100) feet of conductor to service each fixture. The customer will provide and install the necessary conduit system to Company specifications.

Purchased Power Charges

Purchased power charges are adjusted annually by the Florida Public Service Commission. For current purchased power costs included in the tariff, see Sheet No. 65 & 66.

Minimum Bill

The above rates times the number of lamps connected.

(Continued on Sheet No. 58)

Issued by: Jeffrey M. Householder, President
Officer

Effective: MAY 03 2022

Jeffrey Sylvester, Chief Operating

*RATE SCHEDULE OSL
 MERCURY VAPOR LIGHTING SERVICE
 (Closed To New Installations)*

(Continued from Sheet No. 58)

Availability

Available within the territory served by the Company in Calhoun, Jackson and Liberty Counties and on Amelia Island in Nassau County.

Applicability

Applicable to customer for mercury vapor lighting service.

Character of Service

Lighting service from dusk to dawn as described herein.

Limitations of Service

Service is limited to lighting by mercury vapor lamps of 7,000 or 20,000 initial level of lumens mounted on wood poles, as described herein.

Monthly Rate

When lighting fixtures are mounted on existing poles and served directly from existing overhead secondary distribution lines:

Lamp Size	KWH/Mo.	Facilities	Maintenance*	Energy	Total
<u>Lumens</u>	<u>Estimate</u>	<u>Charge</u>	<u>Charge</u>	<u>Charge</u>	<u>Charge</u>
7,000	72	\$1.39 1.49	\$1.24 1.33	\$3.70 3.97	\$6.33 6.80
20,000	154	\$1.53 1.64	\$1.32 1.42	\$7.95 8.54	\$10.80 11.60

For concrete or fiberglass poles and/or underground conductors, etcetera, the customer shall pay a lump sum amount equal to the estimated differential cost between the special system and the equivalent overhead-wood pole system.

Purchased Power Charges

Purchased power charges are adjusted by the Florida Public Service Commission, normally each year in January. For current purchased power costs included in the tariff, see Sheet Nos. 65 & 66.

Minimum Bill

The above rates times the number of lamps connected.

Terms of Payment

Bills are rendered net and are due and payable within twenty (20) days from date of bill.

(Continued on Sheet No. 60)

Item 6

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: September 19, 2024

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Economics (McClelland, Hampson) *EJD*
Office of the General Counsel (Sandy) *JSC*

RE: Docket No. 20240135-GU – Petition for approval of swing service rider, by Florida Public Utilities Company, Florida Public Utilities Company-Indiantown Division, Florida Public Utilities Company-Fort Meade, and Florida Division of Chesapeake Utilities Corporation.

AGENDA: 10/01/24 – Regular Agenda – Tariff Suspension – Participation is at the Commission’s Discretion

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 11/02/24 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

Case Background

On September 3, 2024, Florida Public Utilities Company (FPUC or utility) filed a petition for approval of revised Swing Service Rider rates and associated tariffs for the period January 2025 through December 2025.

The Commission first approved FPUC’s swing service rider tariff by Order No. PSC-16-0422-TRF-GU (swing service order) and the initial swing service rider rates were in effect for the period March through December 2017.¹ The swing service rider requires FPUC to file an annual

¹ Order No. PSC-16-0422-TRF-GU, issued October 3, 2016, in Docket No. 160085-GU, *In re: Joint petition for approval of swing service rider, by Florida Public Utilities Company, Florida Public Utilities Company-Indiantown Division, Florida Public Utilities Company-Fort Meade, and Florida Division of Chesapeake Utilities Corporation.*

petition to recalculate the swing service rider rates based on the utility's actual interstate capacity costs and the most recent 12-months' usage data. Furthermore, the swing service order requires FPUC to incorporate the calculated revenues from the swing service rider as a credit to the Purchased Gas Adjustment (PGA) proceeding for the concurrent year. The January through December 2024 swing service rider rates were approved in Order No. PSC-2023-0358-TRF-GU.² The swing service rider is a cents per therm charge that is included in the monthly gas bill of transportation customers, who purchase gas from third party marketers, and therefore do not pay the PGA charge.³

This is staff's recommendation to suspend the proposed tariffs. The Commission has jurisdiction over this matter pursuant to Sections 366.04, 366.041, 366.05, and 366.06, Florida Statutes (F.S.).

² Order No. PSC-2023-0358-TRF-GU, issued November 28, 2023, Docket No. 20230096-GU, *In re: Petition for approval of swing service rider rates for January through December 2024, by Florida Public Utilities Company.*

³ Add reference to DR1 here if it is submitted before Rec Day.

Discussion of Issues

Issue 1: Should the Commission suspend FPUC's proposed revised Swing Service Rider rates and associated tariffs for the period January through December 2025?

Recommendation: Yes. Staff recommends that FPUC's proposed revised Swing Service Rider rates and associated tariffs for the period January through December 2025 be suspended to allow staff sufficient time to review the petition and gather all pertinent information in order to present the Commission with an informed recommendation on the tariff proposals. (McClelland)

Staff Analysis: Staff recommends that the FPUC's proposed revised Swing Service Rider rates and associated tariffs for the period January through December 2025 be suspended to allow staff sufficient time to review the petition and gather all pertinent information in order to present the Commission with an informed recommendation on the tariff proposal.

Pursuant to Section 366.06(3), F.S., the Commission may withhold consent to the operation of all or any portion of a new rate schedule, delivering to the utility requesting such a change, a reason, or written statement of good cause for doing so within 60 days. Staff believes that the reason stated above is a good cause consistent with the requirement of Section 366.06(3), F.S.

Issue 2: Should this docket be closed?

Recommendation: No. This docket should remain open pending the Commission decision on the proposed revised tariffs. (Sandy)

Staff Analysis: This docket should remain open pending the Commission decision on the proposed revised tariffs.

Item 7

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: September 19, 2024

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Economics (Guffey) *GP*
Office of the General Counsel (Brownless) *JSC*

RE: Docket No. 20240137-GU – Petition for approval of GUARD cost recovery factors, by Florida Public Utilities Company.

AGENDA: 10/01/24 – Regular Agenda – Tariff Suspension – Participation is at the Commission’s Discretion

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 11/02/24 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

Case Background

On September 3, 2024, Florida Public Utilities Company (FPUC) filed a petition for approval of its Gas Utility Access and Replacement Directive (GUARD Program) cost recovery factors for the period January through December 2025. By Order No. PSC-2023-0235-PAA-GU (2023 Order), the Commission approved FPUC’s 10-year GUARD program, consisting (1) replacement of problematic pipes and facilities and (2) relocation of mains and service lines located in rear easement and other difficult to access areas to the front lot easements.¹ The 2023 Order allows FPUC to recover the revenue requirements of expedited programs to replace problematic pipes and facilities and enhance the safety and accessibility of portions of FPUC’s natural gas distribution system through a monthly surcharge on customers’ bills.

¹ Order No. PSC-2023-0235-PAA-GU, issued August 15, 2023, amended by Order No. PSC-2023-0235A-PAA-GU, issued August 18, 2023, in Docket No. 20230029-GU, *In re: Petition for approval of gas utility access and replacement directive, by Florida Public Utilities Company.*

The Commission further ordered FPUC to: (1) 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; (2) provide a report including the location, date, description, and associated costs of all replacement projects completed and all projects scheduled for the following year; and (3) include any remaining GRIP over- or under-recovery in the GUARD cost recovery. FPUC has complied with the 2023 Order directives stated above. The Commission approved FPUC's 2024 GUARD factors in Order No. PSC-2023-0349-TRF-GU.²

This is staff's recommendation to suspend the proposed tariffs for 2025 GUARD factors. The Commission has jurisdiction over this matter pursuant to Sections 366.04, 366.05, and 366.06, Florida Statutes (F.S.).

² Order No. PSC-2023-0349-TRF-GU, issued November 17, 2023, in *Docket No. 20230101-GU, In re: Petition for approval of gas utility access and replacement directive cost recovery factors for January 2024 through December 2024, by Florida Public Utilities Company.*

Discussion of Issues

Issue 1: Should FPUC's Gas Utility Access and Replacement Directive (GUARD) cost recovery factors and associated revised tariff sheet 7.403 to implement the 2025 GUARD factors, to be effective January 2025, be suspended?

Recommendation: Yes. Staff recommends that FPUC's GUARD cost recovery factors and associated revised tariff sheet 7.403 to implement the 2025 GUARD factors, to be effective January 2025, be suspended to allow staff sufficient time to review the petition and gather all pertinent information in order to present the Commission with an informed recommendation on the proposed tariff modifications. (Guffey)

Staff Analysis: Staff recommends that FPUC's GUARD cost recovery factors and associated revised tariffs to implement the 2025 GUARD factors, to be effective January 2025, be suspended to allow staff sufficient time to review the petition and gather all pertinent information in order to present the Commission with an informed recommendation on the proposed tariff modifications.

Pursuant to Section 366.06(3), F.S., the Commission may withhold consent to the operation of all or any portion of the new rate schedules, delivering to the utility requesting such a change, a reason, or written statement of a good cause for doing so within 60 days. Staff believes that the reason stated above is a good cause consistent with the requirement of Section 366.06(3), F.S.

Issue 2: Should this docket be closed?

Recommendation: No. This docket should remain open pending the Commission decision on FPUC's GUARD cost recovery factors and associated revised tariffs to implement the 2025 GUARD factors. (Brownless)

Staff Analysis: This docket should remain open pending the Commission decision on FPUC's GUARD cost recovery factors and associated revised tariffs to implement the 2025 GUARD factors.

Item 8

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: September 19, 2024

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Economics (Ward, Hampson) *GH*
Office of the General Counsel (Sandy) *JSC*

RE: Docket No. 20240133-GU – Petition for approval of 2023 true-up, projected 2024 true-up, and 2025 revenue requirements and surcharges associated with cast iron/bare steel pipe replacement rider, by Peoples Gas System, Inc.

AGENDA: 10/01/24 – Regular Agenda – Tariff Suspension – Participation is at the Commission’s Discretion

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 10/29/24 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

Case Background

On August 30, 2024, Peoples Gas System, Inc. (Peoples or utility) filed a petition for approval of the 2023 true-up, projected 2024 true-up, and 2025 revenue requirements and surcharges associated with its cast iron/bare steel (CI/BS) pipe replacement rider. The rider was originally approved by Order No. PSC-12-0476-TRF-GU (2012 Order) to recover the cost of accelerating the replacement of cast iron and bare steel pipes through a surcharge on customers’ bills.¹ As established by the 2012 Order, Peoples would roll replaced infrastructure into rate base during a rate case, and the CI/BS surcharge would be “reset to zero”.² The surcharge is set to terminate when all applicable CI/BS pipes have been replaced and included in rate base. During the 2023

¹ Order No. PSC-12-0476-TRF-GU, issued September 18, 2012, in Docket No. 20110320-GU, *In re: Petition for approval of Cast Iron/Bare Steel Pipe Replacement Rider (Rider CI/BSR), by Peoples Gas System.*

² Order No. PSC-12-0476-TRF-GU, page 3.

Peoples rate case, CI/BS investments as of December 31, 2023, were moved into rate base pursuant to Order No. PSC-2023-0388-FOF-GU.³

In the 2023 rate case order, the Commission approved the Long Term Debt Cost Rate True-Up Mechanism (LTDR true-up mechanism), which allowed Peoples to make a one-time adjustment to its forecasted long-term debt cost rate after its inaugural debt issuance. The LTDR true-up mechanism and the associated incremental base rate revenue increase was approved in Order No. PSC-2024-0170-TRF-GU.⁴ As part of the Order, the utility was required to include the actual incremental amount for recovery in the subject docket (2024 CI/BS Rider).

Currently, Peoples has an active petition pending before the Commission for an expansion of the CI/BS rider in Docket No. 20240107-GU. In that docket, Peoples has proposed to rename the CI/BS rider to the Safety of Facilities and Infrastructure Replacement Rider (SAFIR) and expand the categories of eligible replacements under the rider. If the SAFIR program is approved, projected capital expenditures would increase for 2025.

The utility in the instant petition stated that if the Commission approves Peoples' SAFIR petition before November 30, 2024, the utility will seek approval of the revenue requirement and surcharge for CI/BS replacement, PPP replacement, and SAFIR modifications. If the petition remains pending on November 30, 2024, Peoples will seek approval of the revenue requirement and surcharge for CI/BS and PPP replacement only. Peoples' current surcharges were approved in Order No. PSC-2023-0363-TRF-GU.⁵

This is staff's recommendation to suspend the proposed tariffs. The Commission has jurisdiction over this matter pursuant to Sections 366.04, 366.05, and 366.06, Florida Statutes (F.S.).

³ Order No. PSC-2023-0388-TRF-GU, issued December 27, 2023, in Docket No. 20230023-GU, *In re: Petition for rate increase by Peoples Gas System, Inc.*

⁴ Order No. PSC-2024-0170-TRF-GU, issued May 23, 2024, in Docket No. 20240028-GU, *In re: Petition to implement long-term debt cost true-up mechanism, by Peoples Gas System, Inc.*

⁵ Order No. PSC-2023-0363-TRF-GU, issued November 29, 2023, in Docket No. 20230098-GU, *In re: Petition for approval of 2022 true-up, projected 2023 true-up, and 2024 revenue requirements and surcharges associated with cast iron/bare steel pipe replacement rider, by Peoples Gas System, Inc.*

Discussion of Issues

Issue 1: Should the Commission suspend Peoples' proposed revised CI/BS rates and associated tariff for the period January through December 2025?

Recommendation: Yes. Staff recommends that Peoples' proposed revised CI/BS rates and associated tariff for the period January through December 2025 be suspended to allow staff sufficient time to review the petition and gather all pertinent information in order to present the Commission with an informed recommendation on the tariff proposals. (Ward)

Staff Analysis: Staff recommends that Peoples' proposed revised CI/BS rates and associated tariff for the period January through December 2025 be suspended to allow staff sufficient time to review the petition and gather all pertinent information in order to present the Commission with an informed recommendation on the tariff proposal.

Pursuant to Section 366.06(3), F.S., the Commission may withhold consent to the operation of all or any portion of a new rate schedule, delivering to the utility requesting such a change a reason or written statement of good cause for doing so within 60 days. Staff believes that the reason stated above is a good cause consistent with the requirements of Section 366.06(3), F.S.

Issue 2: Should this docket be closed?

Recommendation: No. This docket should remain open pending the Commission's decision on the proposed tariffs. (Sandy)

Staff Analysis: This docket should remain open pending the Commission's decision on the proposed tariffs.

Item 9

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: September 19, 2024

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Economics (P. Kelley) *ETD*
Office of the General Counsel (Dose) *JSC*

RE: Docket No. 20240134-GU – Petition for approval of safety, access, and facility enhancement program true-up and 2025 cost recovery factors, by Florida City Gas.

AGENDA: 10/01/24 – Regular Agenda – Tariff Suspension – Participation is at the Commission’s Discretion

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 10/29/24 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

Case Background

On August 30, 2024, Florida City Gas (FCG or utility) filed a petition for approval of its safety, access, and facility enhancement (SAFE) program true-up and 2025 cost recovery factors. The SAFE program was originally approved by the Commission in Order No. PSC-15-0390-TRF-GU (2015 Order) to recover the cost of relocating on an expedited basis certain existing gas mains and associated facilities from rear lot easements to the street front.¹ In the 2015 Order, the Commission found that the relocation of mains and services to the street front provides for more direct access to the facilities and will enhance the level of service provided to all customers through improved safety and reliability. The SAFE factor is a surcharge on customers' bills.

¹ Order No. PSC-15-0390-TRF-GU, issued September 15, 2015, in Docket No. 20150116-GU, *In re: Petition for approval of safety, access, and facility enhancement program and associated cost recovery methodology, by Florida City Gas.*

In the 2015 Order, the Commission required the utility to file an annual petition, beginning in 2016, for review and resetting of the SAFE factors to true-up any prior over-or under-recovery and to set the surcharge for the coming year. The SAFE program was originally approved as a 10-year program and was planned to finish in 2025. The current 2024 SAFE factors were approved by Order No. PSC-2023-0345-TRF-GU (2023 Order).²

During the utility's 2022 rate case, the Commission approved a stipulation for the expansion of the SAFE program in Order No. PSC-2023-0177-FOF-GU.³ The parties agreed and the Commission found that the continuation of the SAFE program beyond its 2025 expiration date and the relocation of an additional approximately 150 miles of mains and services was reasonable.⁴

In Order No. PSC-2023-0177-FOF-GU, the Commission further approved a stipulation for the replacement of approximately 160 miles of "orange pipe."⁵ All parties to the rate case agreed that orange pipe is a specific plastic material that was used in the 1970s and 1980s that has been studied by the United States Department of Transportation Pipeline and Hazardous Materials Safety Administration and shown through industry research to exhibit premature failure in the form of cracking. The parties agreed and the Commission ordered that FCG should expedite the replacement of 160 miles of orange pipe through the SAFE program to address this safety risk in a timely manner.

On April 19, 2024 FCG filed a petition to modify its SAFE program to include replacing of span pipes, burying shallow and exposed pipeline, and replacing of obsolete pipe and related facilities. At the September 10 2024 Agenda Conference, the Commission approved FCG's SAFE modification. The total estimated cost for the program modifications is \$49.8 million over a ten year period.⁶ The additional program modifications are included in this proceeding for recalculation of the SAFE surcharges.

This is staff's recommendation to suspend the proposed tariffs. The Commission has jurisdiction over the matter pursuant to Sections 366.04, 366.041, 366.05, and 366.06, Florida Statutes (F.S.).

² Order No. PSC-2023-0345-TRF-GU, issued November 16, 2023, in Docket No. 20230097-GU, *In re: Petition for approval of safety, access, and facility enhancement program true-up and 2024 cost recovery factors, by Florida City Gas.*

³ Order No. PSC-2023-0177-FOF-GU, issued June 9, 2023, in Docket No. 20220069-GU, *In re: Petition for rate increase by Florida City Gas.*

⁴ See page 72, Section X, B. of Order No. PSC-2023-0177-FOF-GU.

⁵ See page 72, Section X, C. of Order No. PSC-2023-0177-FOF-GU.

⁶ See attachment B, of Document No. 04172-2024 titled "Responses to Staff's First Data Request

Discussion of Issues

Issue 1: Should the Commission suspend FCG's proposed revised SAFE tariffs for the period of January through December 2025?

Recommendation: Yes. Staff recommends that FCG's proposed revised SAFE tariffs for the period of January through December 2025 be suspended to allow staff sufficient time to review the petition and gather all pertinent information in order to present the Commission with an informed recommendation on the tariff proposals. (P. Kelley)

Staff Analysis: Staff recommends that FCG's proposed revised SAFE tariffs for the period January through December 2025 be suspended to allow staff sufficient time to review the petition and gather all pertinent information in order to present the Commission with an informed recommendation on the tariff proposals. Staff issued a data request to FCG on September 17, 2024, for which responses are currently pending.

Pursuant to Section 366.06(3), F.S., the Commission may withhold consent to the operation of all or any portion of a new rate schedule, delivering to the utility requesting such a change, a reason, or written statement of good cause for doing so within 60 days. Staff believes that the reason stated above is a good cause consistent with the requirement of Section 366.06(3), F.S.

Issue 2: Should this docket be closed?

Recommendation: No. This docket should remain open pending the Commission decision on the proposed revised tariffs. (Dose)

Staff Analysis: This docket should remain open pending the Commission decision on the proposed revised tariffs.