

# FLORIDA PUBLIC SERVICE COMMISSION

## COMMISSION CONFERENCE AGENDA

**CONFERENCE DATE AND TIME:** Tuesday, April 1, 2025, 9:30 a.m.

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

**DATE ISSUED:** March 20, 2025

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### NOTICE

Persons affected by Commission action on certain items on this agenda may be allowed to address the Commission, either informally or by oral argument, when those items are taken up for discussion at this conference. These items are designated by double asterisks (\*\*) next to the item number.

To participate informally, affected persons need only appear at the conference and request the opportunity to address the Commission on an item listed on the agenda. Informal participation is not permitted: (1) on dispositive motions and motions for reconsideration; (2) when a recommended order is taken up by the Commission; (3) in a rulemaking proceeding after the record has been closed; or (4) when the Commission considers a post-hearing recommendation on the merits of a case after the close of the record. The Commission allows informal participation at its discretion in certain types of cases (such as declaratory statements and interim rate orders) in which an order is issued based on a given set of facts without hearing. See Florida Administrative Code Rules 25-22.0021 (agenda conference participation) and 25-22.0022 (oral argument).

Conference agendas, staff recommendations, vote sheets, and transcripts are available online at <https://www.floridapsc.com>, by selecting *Conferences & Meeting Agendas* and *Commission Conferences of the FPSC*. An official vote of "move staff" denotes that the Item's recommendations were approved.

In accordance with the Americans with Disabilities Act, persons needing a special accommodation to participate at this proceeding should contact the Office of Commission Clerk no later than five days prior to the conference at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850 or 850-413-6770 (Florida Relay Service, 1-800-955-8770 Voice or 1-800-955-8771 TDD). Assistive Listening Devices are available upon request from the Office of Commission Clerk, Gerald L. Gunter Building, Room 152.

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Table of Contents  
Commission Conference Agenda  
April 1, 2025

1**PAA	<b>Docket No. 20240155-EI</b> – Petition for approval of accounting treatment for the transfer of proportional share of Plant Daniel Units 1 and 2 to Mississippi Power Company, by Florida Power & Light Company. ....	1
2	<b>Docket No. 20250011-EI</b> – Petition for rate increase by Florida Power & Light Company. ....	3
3**PAA	<b>Docket No. 20240117-WU</b> – Application for grandfather certificate to operate water utility in Citrus County by Hash Utilities, LLC. (Forest Hills Water System) .....	4
4**	<b>Docket No. 20240118-SU</b> – Application for grandfather certificate to operate wastewater utility in Columbia County, by Kirby D. Morgan, Inc. ....	6
5	<b>Docket No. 20240032-SU</b> – Application for certificate to provide wastewater service in Charlotte County by Environmental Utilities, LLC. ....	7

**ITEM NO.**

**CASE**

1\*\*PAA

**Docket No. 20240155-EI** – Petition for approval of accounting treatment for the transfer of proportional share of Plant Daniel Units 1 and 2 to Mississippi Power Company, by Florida Power & Light Company.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Fay

**Staff:** AFD: Mason, Norris, Vogel

ECO: Galloway, Wu

ENG: Davis, Ellis, King

GCL: Stiller, J. Crawford

**Issue 1:** Is FPL's proposed transfer of its 50 percent ownership in Units 1 and 2 to MPC reasonable and cost-effective?

**Recommendation:** Yes. The PSA between FPL and MPC transferring FPL's 50 percent ownership in Units 1 & 2 to MPC should be approved as the PSA appears cost-effective.

**Issue 2:** Should the Commission approve FPL's request to create regulatory assets representing its payment to MPC?

**Recommendation:** Yes, the Commission should approve FPL's request to create a regulatory asset, in the amount of \$31.04 million, representing the base rate portion of the transfer price and allow recovery to begin when base rates are next reset. The Commission should also authorize the creation of a separate regulatory asset, in the amount of \$4.98 million, representing the portion that would have been recovered through the ECRC, to be recovered through the ECRC beginning January 1, 2026. Both regulatory assets should be amortized over a period of 10 years. Furthermore, staff recommends allowing FPL to begin recovery at its next base rate reset, which has been filed as Docket No. 20250011-EI, with a recovery period of 10 years, as well as earn a return on the unamortized asset balance at the Company's overall weighted average cost of capital.

**Issue 3:** Should the Commission approve FPL's request to continue recovering eligible pre-closing environmental costs through the ECRC?

**Recommendation:** Yes, the Commission should approve FPL's request to continue recovering eligible environmental costs incurred through the closing date of the PSA through the ECRC.

**Issue 4:** Should FPL be permitted to accrue Units 1 & 2 dismantlement costs in base rates until the annual accrual is next reset with the support of a dismantlement study?

**Recommendation:** Yes. Staff recommends approval of FPL's request to continue to accrue its proportionate share of dismantlement costs associated with Plant Daniel Units 1 & 2 in base rates.

**ITEM NO.**

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**CASE**

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1\*\*PAA

**Docket No. 20240155-EI** – Petition for approval of accounting treatment for the transfer of proportional share of Plant Daniel Units 1 and 2 to Mississippi Power Company, by Florida Power & Light Company.

(Continued from previous page)

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

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

**ITEM NO.**

**CASE**

2

**Docket No. 20250011-EI** – Petition for rate increase by Florida Power & Light Company.

**Critical Date(s):** 04/29/2025 (60-day Suspension Date)

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** La Rosa

**Staff:** AFD: Norris

ECO: Hampson

GCL: Stiller, Sparks

**(Tariff Suspension - Participation is at the Commission's Discretion)**

**Issue 1:** Should Florida Power & Light Company's request for a \$1.55 billion permanent rate increase effective January 1, 2026, a \$927 million permanent increase effective January 1, 2027, SoBRAs of approximately \$296 million and \$266 million for 2028 and 2029, respectively, and the associated tariff revisions be suspended pending a final decision in this docket?

**Recommendation:** Yes. The \$1.55 billion permanent rate increase effective January 1, 2026, a \$927 million permanent rate increase effective January 1, 2027, SoBRAs of approximately \$296 million and \$266 million for 2028 and 2029, respectively, and the associated tariff revisions should be suspended pending a final decision in this docket.

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

**Recommendation:** No, this docket should remain open to process the Company's revenue increase request.

**ITEM NO.**

**CASE**

3\*\*PAA

**Docket No. 20240117-WU** – Application for grandfather certificate to operate water utility in Citrus County by Hash Utilities, LLC. (Forest Hills Water System)

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Clark

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

AFD: Bardin, Sowards

ECO: Bruce, Chambliss

GCL: Farooqi

**(Proposed Agency Action for Issues 2-4)**

**Issue 1:** Should Hash Utilities, LLC’s application for a grandfather water certificate in Citrus County for its Forest Hills water system be acknowledged?

**Recommendation:** Yes. Forest Hills’ application should be acknowledged and the Utility should be issued Certificate No. 687-W, effective May 28, 2024, to serve the territory described in Attachment A. The resultant order should serve as Forest Hills’ certificate and should be retained by the Utility.

**Issue 2:** What rates, charges, and deposits should be approved for Forest Hills Utilities, LLC?

**Recommendation:** Of the Utility’s rates, charges, and deposits that were in effect when Citrus County transferred jurisdiction to the Commission, only the rates, charges, and initial customer deposit shown on Schedule No. 1 are appropriate and should be approved. The rates, charges, and initial customer deposit shown in Schedule No. 1 should be effective for services rendered or connections made on or after the stamped approval date on the tariff sheets. The Utility should be required to charge the approved rates, charges and initial customer deposit shown in Schedule No. 1 until authorized to change them by the Commission in a subsequent proceeding.

**Issue 3:** What are the appropriate miscellaneous service charges for Forest Hills Utilities, LLC?

**Recommendation:** The appropriate miscellaneous service charges shown on Table 3-2 should be approved. The Utility should be required to file a proposed customer notice to reflect the Commission-approved charges. The approved charges should be effective for service rendered or connections made on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475, F.A.C. In addition, the tariff sheets will be approved upon staff’s verification that the tariffs are consistent with the Commission’s decision and that the proposed customer notice is adequate.

**ITEM NO.**

**CASE**

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3\*\*PAA

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**Docket No. 20240117-WU** – Application for grandfather certificate to operate water utility in Citrus County by Hash Utilities, LLC. (Forest Hills Water System)

(Continued from previous page)

**Issue 4:** Did Forest Hills bill the appropriate rates pursuant to Citrus County Final Order 23-03, and, if not, what is the appropriate action?

**Recommendation:** The Utility did not bill the appropriate rates pursuant to Citrus County Final Order 23-03. Staff recommends that a docket be opened to investigate improper billing practices and determine the appropriate action.

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

**Recommendation:** If no person whose substantial interests are affected by the proposed agency action portion of this recommendation files a protest within 21 days of the issuance of the order, a consummating order should be issued. The docket should remain open for staff's verification that the revised tariff sheets have been filed by the Utility and approved by staff. Once this action is complete, this docket should be closed administratively.

**ITEM NO.**

**CASE**

4\*\*

**Docket No. 20240118-SU** – Application for grandfather certificate to operate wastewater utility in Columbia County, by Kirby D. Morgan, Inc.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Clark

**Staff:** ENG: Lewis, Ramos

AFD: Bardin, Cicchetti, Norris, Sowards

ECO: Sibley, Bruce

GCL: Thompson, J. Crawford

**Issue 1:** Should Kirby D. Morgan, Inc.’s application for grandfather wastewater certificate in Columbia County be acknowledged?

**Recommendation:** Yes. Kirby Morgan’s application should be acknowledged and the Utility should be issued Certificate No. 586-S, effective May 16, 2024, to serve the territory described in Attachment A of staff’s memorandum dated March 20, 2025. The resultant order should serve as Kirby Morgan’s certificate and should be retained by the Utility.

**Issue 2:** What rates and charges should be approved for Kirby D. Morgan, Inc.?

**Recommendation:** The Utility’s monthly rates that were in effect when the County transferred jurisdiction to the Commission, shown on Schedule No. 1, should be approved. The Utility has no miscellaneous service charges. The rates should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. The Utility should be required to charge the approved rates until authorized to change them by this Commission in a subsequent proceeding.

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

**Recommendation:** Yes. Since there are no pending issues in this docket, the docket should be closed upon the issuance of the final order.



**ITEM NO.**

**CASE**

5

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

**Critical Date(s):** 04/29/25 (90 days under Section 120.569(2)(1), Florida Statutes, to render final order following administrative hearing)

**Commissioners Assigned:** Graham, Clark, Passidomo Smith

**Prehearing Officer:** Passidomo Smith

**Staff:** ENG: M. Watts, King, Ramirez-Abundez, Ramos, Smith II

AFD: Norris, Przygocki, Sowards

ECO: Bruce, Sibley

GCL: Dose, J. Crawford, Thompson

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

**Issue 1:** Has Environmental Utilities, LLC met the filing and noticing requirements pursuant to Rules 25-30.030 and 25-30.033, Florida Administrative Code?

**Recommendation:** Yes. The Utility properly notified potential customers of its application and met the noticing requirements of Rule 25-30.030, F.A.C. The application meets all other requirements of Rule 25-30.033, F.A.C.

**Issue 2:** Is there a need for service in Environmental Utilities, LLC’s proposed service territory?

**Recommendation:** Yes. The Utility has provided the four items, required by Rule 25-30.033(1)(k), F.A.C., an applicant must provide to demonstrate a need for service, including requests for service from existing property owners and potential developers. In addition, a resolution adopted by the Charlotte County Board of County Commissioners affirming a need for service was provided.

**Issue 3:** Is Environmental Utilities, LLC’s application consistent with Charlotte County’s Comprehensive Plan and/or Sewer Master Plan?

**Recommendation:** EU’s application does not appear to be consistent with the County’s Comprehensive Plan but does appear to be consistent with the Sewer Master Plan. However, the County’s Resolution establishes support for EU’s application, and the Commission is not bound by Charlotte County’s Comp Plan or Sewer Master Plan.

**Issue 4:** Will the certification of Environmental Utilities, LLC result in the creation of a utility which will be in competition with or duplication of any other system?

**Recommendation:** No. There are no other wastewater service providers in or near the area who are willing or able to provide wastewater service to the proposed service territory.

**Issue 5:** Does Environmental Utilities, LLC have the financial ability to serve the requested territory?

**Recommendation:** Yes, the Utility has the financial ability to serve the requested territory.

**ITEM NO.**

**CASE**

5

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

(Continued from previous page)

**Issue 6:** Does Environmental Utilities, LLC have the technical ability to serve the requested territory?

**Recommendation:** Yes, EU demonstrated that, with the retention of outside professionals for the construction and operations of its system, it has the technical ability to serve the requested territory.

**Issue 7:** Will Environmental Utilities, LLC have sufficient plant capacity to serve the requested territory?

**Recommendation:** Yes. The Bulk Sewer Treatment Agreement (Agreement) with Charlotte County reserves adequate capacity to serve the proposed service territory and demonstrates that EU has planned for the estimated needs of the proposed service area.

**Issue 8:** Has Environmental Utilities, LLC provided evidence that it has continued use of the land upon which the utility treatment facilities are or will be located?

**Recommendation:** Wastewater treatment will occur pursuant to a Bulk Service Agreement. As such, the Utility does not own or operate the treatment facilities and evidence of continued use of the land is not required or applicable in this instance.

**Issue 9:** Is it in the public interest for Environmental Utilities, LLC to be granted a wastewater certificate for the territory proposed in its application?

**Recommendation:** Yes. Based on the recommendations in Issues 1 through 8, it is in the public interest to grant the Utility Certificate No. 585-S to provide wastewater service to the territory described in Attachment A.

**Issue 10:** What is the appropriate return on equity for Environmental Utilities, LLC?

**Recommendation:** The appropriate return on equity (ROE) is 8.66 percent with a range of plus or minus 100 basis points.

**Issue 11:** What are the appropriate rates and rate structures for Environmental Utilities, LLC?

**Recommendation:** Staff's recommended wastewater rates, shown on Schedule No. 4, should be approved. The Utility's proposal to include a repression adjustment should be denied; therefore, the staff-recommended rates shown on Schedule No. 4 do not include a repression adjustment. The rates should be effective for services rendered or connections made on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475, F.A.C. The Utility should be required to charge the approved rates until authorized to change them by the Commission in a subsequent proceeding.

**ITEM NO.**

**CASE**

5

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

(Continued from previous page)

**Issue 12:** What are the appropriate initial customer deposits for Environmental Utilities, LLC?

**Recommendation:** The appropriate initial customer deposit is \$318 for wastewater for the residential 5/8 inch x 3/4 inch meter size. The initial customer deposits for all other residential meter sizes and all general service meter sizes should be two times the average estimated bill. The approved customer deposits should be effective for connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. The Utility should be required to collect the approved initial customer deposits until authorized to change them by the Commission in a subsequent proceeding.

**Issue 13:** What are the appropriate miscellaneous service charges for Environmental Utilities, LLC?

**Recommendation:** The appropriate miscellaneous service charges are shown on Schedule No. 5 and should be approved. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved charges. The approved charges should be effective for services rendered on or after the stamped approval date on the tariff sheet provided customers have received notice pursuant to Rule 25-30.475(1), F.A.C. The Utility should provide proof of noticing within 10 days of rendering the approved notice.

**Issue 14:** What are the appropriate service availability charges for Environmental Utilities, LLC?

**Recommendation:** The appropriate service availability charges are shown on Schedule No. 5 and should be approved. In addition, the Utility's proposed service availability policy should be approved. The approved charges and policy should be effective for connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. EU should be required to collect its approved service availability charges until authorized to change them by the Commission in a subsequent proceeding.

**Issue 15:** Should this docket be closed?

**Recommendation:** This docket should be closed.