



FROM THE DESK OF:

Chairman
Mike La Rosa

Chairman La Rosa Reflects on 2024

December brings “the most wonderful time of the year,” a joyous season to celebrate and also a time to reflect as 2024 draws to a close.

It has been an honor and a privilege to serve in my first year as Chairman of the Florida Public Service Commission. Working with PSC staff, I have learned so much, and I'm grateful for their service to the Commission and to the citizens of Florida.

Through my *Coffee Talks* initiative—a monthly visit to a PSC division or office—I have met and gotten to know both veteran and new Commission employees. I hope staff has enjoyed these visits as much as I have. I plan to continue the tradition next year, with a new twist to ensure that all employees are included.

We welcomed the Holiday Season by decorating a PSC tree, displayed in the Gunter Building lobby, with original ornaments that depict a Commission division or office and our work. Of course, cookies and eggnog made the decorating that much more fun.



Hurricane Season Finally Ends

Florida was impacted by three hurricanes during this year's hurricane season: Debby, Helene, and Milton. Before hurricane season began (June 1–November 30), several tornadoes ripped through Tallahassee on May 10, requiring an early activation of the Emergency Operations Center. During each of these storms, PSC staff manned the EOC's Emergency Support Function-12 Energy (ESF-12), working with other agencies to report electric outages and coordinate for the quick recovery of the state during and after storms.



Following Hurricane Helene's September 26 landfall in the Big Bend, Chairman La Rosa toured the extensive storm surge devastation in Pinellas County. He visited with impacted residents and supported the recovery efforts of local, state, and federal response teams.

Chairman La Rosa honored the PSC employees who worked tirelessly all hours of the day and night during EOC 2024 activations with a Resolution recognizing their efforts. The Resolution hangs in the Gunter Building lobby to commend the many PSC divisions and offices who served.

Chairman La Rosa at the Helene customer care center.

PSC Approves FPL's Incremental Storm Restoration Costs for Hurricanes Debby, Helene, and Milton

On December 3, the PSC approved interim storm restoration charges for Florida Power & Light Company (FPL) due to Hurricanes Debby, Helene, and Milton. The PSC also approved FPL's request to replenish its storm reserve.

FPL's petition, filed on October 29, 2024, is based on its 2021 Settlement Agreement, which allows FPL to collect hurricane-related costs and maintain a storm reserve fund. The total \$1.2 billion interim storm restoration charge includes \$113.5 million for Hurricane Debby, \$157.8 million for Hurricane Helene, and \$811.1 million for Hurricane Milton.

For FPL residential customers using 1,000 kWh, the interim monthly charge will be \$12.02 for 12-months, from January–December 2025. The recovery charge includes replenishment of FPL's \$150 million storm reserve. These charges are subject to a refund, with interest, pending further review once the total actual costs are known.

PSC Approves Storm Restoration Plan Cost Recovery for Florida IOUs

In September, the PSC approved recovery of transmission and distribution storm protection plan costs by Florida Power & Light Company (FPL); Duke Energy Florida, LLC (DEF); Tampa Electric Company (TECO); and Florida Public Utilities Company (FPUC).

Established by the legislature in 2019, the annual storm protection plan cost recovery clause (SPPCRC) hearing determines prudently incurred storm protection plan (SPP) costs for Florida's IOUs that are allowed for recovery.

FPL's approved recovery is \$786,583,276; DEF's is \$269,957,058. TECO's is \$117,623,743; and FPUC's is \$5,667,195. The approved SPPCRC recovery amounts include true-up costs for the prior year, actual/estimated costs for the current year, and projected costs for the following year. Approved SPP costs will be recovered from January–December 2025.

PSC rules require Florida IOUs to outline their storm hardening programs and projects for the upcoming year and demonstrate that these initiatives align with their Commission-approved storm protection plans (SPP). Each IOU is required to submit an updated SPP every three years, covering the next 10-year period.

PSC Discusses Energy's Role in Florida Economic Development

During October's internal affairs meeting, Chairman La Rosa continued his new series on Florida's economic/workforce development. Salome Garcia, Senior Policy Principal with Advanced Energy United, introduced the conversation and provided an overview of opportunities in economic development for Florida's modern economy.

“Economic development is essential for any thriving community,” said Chairman La Rosa. “As our discussion today demonstrated, energy plays an important role in driving economic development; in fact, it's the foundation for Florida's economic future. Fostering the right environment to attract economic growth includes planning for, and having, the necessary infrastructure.”

Garcia facilitated a roundtable discussion highlighting the four key areas where the energy industry intersects with economic development: data centers, manufacturing, multi-day energy storage, and artificial intelligence for utility customers. Experts adding to the conversation included:

- ◆ Lynda Powers, Policy Director, Resource Innovations
- ◆ Christopher J. Maier, Senior Vice President, Cielo Digital Infrastructure
- ◆ Jason Houck, Policy Director, Form Energy

Powers focused on solutions geared toward customers through the use of artificial intelligence (AI) in demand-side management programs. Noting that AI illustrates complexity that data centers can be the backbone of Florida's digital economy. Florida is emerging as a data center destination due to demand, enabling economic development at both state and local levels. Finally, Houck said that manufacturing can also create high-quality jobs and stimulate local economies—using a commercial-scale battery manufacturing project in West Virginia as an example.

A central take-away from the discussion emphasized that by strategically and thoughtfully aligning Florida's energy policies with economic development goals, the state will continue to prosper for years to come.

Service Hearings Held for Customers of Sunshine Water Services Company and Florida Public Utilities Company

Sunshine Water Services Company

Hurricane Milton interfered with the PSC's scheduled service hearings for customers of Sunshine Water Services Company (Sunshine) in October. The hearings were rescheduled for December, and Sunshine customers had their opportunity to testify before Commissioners about Sunshine's quality of service and its rate increase request. Two in-person hearings were held in the utility's service territory and two virtual hearings were also held for customer convenience. The Commission will consider customer input when reviewing the utility's request.

In June, Sunshine filed an application with the PSC requesting a rate increase. Sunshine is a Class A utility providing water and wastewater services to 35,171 water and 29,547 wastewater customers in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties. Commissioners are expected to consider Sunshine's request in the first quarter of 2025.

Florida Public Utilities Company

Customers of Florida Public Utilities Company (FPUC) will testify before Commissioners at two in-person service hearings. One hearing was held in December in Fernandina Beach and another hearing will be held in Marianna in January 2025.

In August, FPUC filed an application with the PSC for a rate increase. FPUC provides electric service to approximately 33,100 customers in two distinct service areas: its Northeast Division, in Fernandina Beach and its Northwest Division in Marianna. Commissioners are expected to consider FPUC's request in March 2025.

PSC Decides Revised TECO Customer Rates

In December, the PSC approved new electric rates and charges for Tampa Electric Company (TECO) that are significantly lower than the company requested in its initial filing. This decision ensures that customers will benefit from fair and reasonable rates, while maintaining reliable electric service.

TECO initially filed a request in April for a significant rate increase to recover operating costs, infrastructure investments, and other expenses to provide utility services. As a part of its review process, three customer service hearings were held in June, and an administrative evidentiary hearing to consider expert testimony was held August 26–30. The Commission considered competing positions by a dozen advocates, including the Office of Public Counsel, the Federal Executive Agencies, the Florida Industrial Power Users Group, as well as other customer, environmental and business advocacy groups. After a thorough review, the Commission adjusted TECO's request and approved recovery of the necessary funds to operate and modernize its system while minimizing the financial burden to customers.

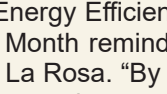
On December 3, the Commission voted to reduce TECO's requested revenue increase by more than \$100 million, from \$287.9 million to \$184.9 million, allowing TECO to continue its investments in grid reliability, renewable energy, and fleet modernization projects, helping to build a more resilient energy future for its service area.

The approved rates will take effect the first billing cycle of January 2025. Based on the new lowered revenue requirement, TECO's average residential monthly customer bill at 1,000 kWh usage will be \$145.58, an increase of \$9.14 from the current bill. This residential customer bill example includes all costs to provide service, cost recovery clauses, fuel, and Gross Receipts Tax.

TECO provides electric service to approximately 844,000 customers in Hillsborough and portions of Polk, Pasco, and Pinellas counties.

Consumer Education and Outreach

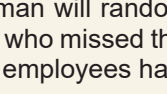
In October, the PSC highlighted Energy Efficiency during National Energy Awareness Month. “Energy Awareness Month reminds us that there are many ways to conserve energy,” said Chairman La Rosa. “By making small changes in our daily routines, we can reduce energy use and, as a result, lower our monthly consumption.” A weekly conservation tip was featured on X, @ Florida PSC, during the month.



In November, the PSC participated in the Jacksonville Expo, where thousands of Floridians learned about the Commission by visiting with staff and received popular PSC publications, such as: *Where to Find Help in Florida*, *Get Wise and Conserve Florida*, and *When to Call the PSC*.

COMMISSION INITIATIVES

Chairman La Rosa continued his Coffee Talks! visits to learn first-hand about different FPSC Divisions and Offices, and, more importantly, FPSC staff. In October, the Chairman's Office shared coffee, donuts and conversation with the Division of Accounting & Finance. In December, the Chairman's Office met with the Division of Economics. Next year, the Chairman will randomly select 15–20 employees each month, beginning with the employees who missed their division's Coffee Talks visit and new employees to ensure that all employees have the opportunity to participate.



Chairman La Rosa's initiative of highlighting a Song of the Day at the PSC's monthly Internal Affairs meeting continues to generate friendly competition. October's Song of the Day was *We Built This City* by Starship, submitted by both Commissioner Gary Clark and Bill McNulty in the Division of Economics. November's Song of the Day was *100 Years from Now* by The Byrds, submitted by Chairman La Rosa. December's Song of the Day was *Rudolph the Red Nosed Reindeer* sung by Bura Ives. Vic Cordiano, Office of Auditing & Performance Analysis, got creative with this submission, saying that Rudolph illustrates how the PSC helps to keep the lights on in an efficient and safe manner through all weather challenges!

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