

Florida Public Service Commission

2018
**Annual
Report**





FLORIDA PUBLIC SERVICE COMMISSION

CHAIRMAN'S MESSAGE

*P*rotecting the public interest is the mission of the Florida Public Service Commission (FPSC). With passage of the federal Tax Cuts and Jobs Act of 2017, and in the aftermath of major storms, 2018 tested our ability to protect the public interest in times of opportunity as well as adversity.

For the first time in three decades, corporate income tax rates were cut by the Tax Act, from 35 percent to 21 percent. In February 2018, the FPSC declared its immediate jurisdiction to determine how utilities' tax savings should benefit Florida's families and businesses.

As a result, the FPSC approved measures to ensure customers of Duke Energy Florida, LLC; Tampa Electric Company; Gulf Power Company; and Florida Public Utilities Company immediately benefitted from federal tax reductions. An on-going review for Florida Power & Light Company is scheduled to conclude with a hearing in early 2019 to determine the best way to realize tax savings for customers.

In addition, the FPSC approved negotiated agreements lowering rates for Florida City Gas and Peoples Gas System customers as a result of tax savings. A process to determine how customers of Florida's investor-owned water and wastewater companies will benefit from the Tax Act is also in the works for 2019.

In July, following an extensive review, the FPSC issued its report on electric utilities' hurricane preparedness and restoration during the 2017 hurricane season and found that, overall, the length of power outages was substantially reduced, demonstrating that the FPSC's decade-long storm hardening programs provide major benefits to the public.

On October 10, Hurricane Michael slammed into the Florida Panhandle and, once again, utility restoration was at the forefront. More than 400,000 Floridians were without power, as the FPSC manned the state's Emergency Operations Center to help facilitate restoration efforts. As soon as the storm cleared, utility crews from near and far worked to fix or rebuild electric infrastructure to restore service.

2019 begins my second year in this term as FPSC Chairman. As it was in 2018, protecting the public interest and continuously improving storm restoration will be a major focus for the Commission.

Art Graham

A handwritten signature in black ink, appearing to read 'Art Graham', written in a cursive style.

Chairman

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CONTACT INFORMATION

The Florida Public Service Commission’s (FPSC or Commission) responsibilities in utility regulation directly affect the public. The FPSC welcomes requests for information about utility regulation or utility-related matters. Inquiries may be made in writing to the address below or by telephone, e-mail, or fax.

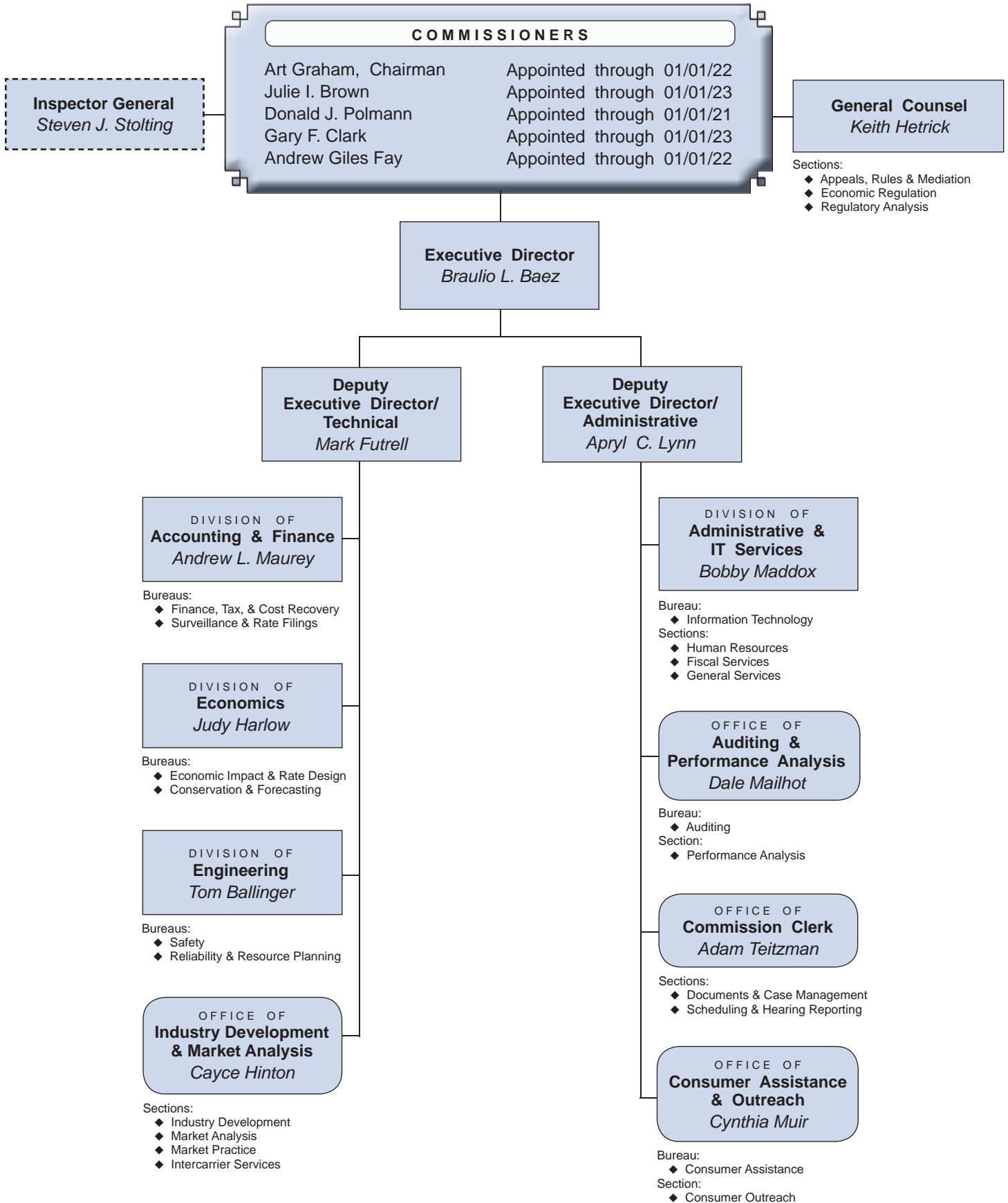
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 Website: www.FloridaPSC.com
 Follow us on Twitter: @FloridaPSC

(Detailed telephone contact information is available at <http://www.floridapsc.com/AboutPSC/PhoneDirectory>)

FPSC ORGANIZATIONAL CHART

As of January 2, 2019



2018 FPSC COMMISSIONERS



Art Graham was appointed to the Florida Public Service Commission by Governor Charlie Crist in July 2010 and was twice reappointed by Governor Rick Scott, most recently for a term through January 2022. He was elected to serve as Commission Chairman from January 2018 through January 2020. He has served two previous terms as Commission Chairman, working with his colleagues and industry representatives to find ways to hold down rates for Florida’s consumers and businesses. ♦ Chairman Graham is a member of the National Association of Regulatory Utility Commissioners (NARUC) and serves on the Committee on Electricity. He previously served on NARUC’s Committee on Water from 2010 through 2016 and was appointed Co-Vice Chair in January 2015. He currently serves on the IEEE Standards Association subcommittee updating the National Electrical Safety Code’s standards for strength and loading of overhead lines. ♦ Prior to his appointment as Commissioner, he served on the Jacksonville City Council. Among

his duties as Council Member, Chairman Graham helped oversee the budget of JEA, a publicly owned electric, water, and wastewater utility, and chaired the Transportation, Energy, and Utilities Committee. Previously he was on the City Council in Jacksonville Beach, which owns and operates the Beaches Energy electric utility. ♦ He is a past chair of the North Florida Transportation Planning Organization and vice president of the Northeast Florida Regional Council. He was President of ART Environmental Consulting Services from 2005 to 2009, having previously worked on electric power generating boilers and wastewater reduction as a recovery engineer with Georgia Pacific Pulp and Paper. ♦ He received a bachelor’s degree in chemical engineering from the Georgia Institute of Technology in Atlanta. He is also a 2001 graduate of Leadership Jacksonville and a 2008 graduate of Leadership Florida.

Julie Imanuel Brown was reappointed to the Florida Public Service Commission by Governor Rick Scott for a four-year term beginning January 2, 2015 and ending January 1, 2019. Commissioner Brown served as Commission Chairman from January 2016-January 2018. She was first appointed to the Commission by Governor Charlie Crist and was reappointed by Governor Rick Scott for a four-year term beginning January 2, 2011. Prior to her appointment, she was Associate Legal Counsel of First American Corporation, a Fortune 500 company, where she handled a variety of legal issues in the Eastern, Midwest and Mid-Atlantic Regions, including corporate compliance with regulatory authorities. ♦ Previously an Assistant City Attorney for the City of Tampa, Commissioner Brown specialized in contract, regulatory and administrative law while acting as legal advisor to the City of Tampa for wastewater, stormwater, land development coordination, and other matters. She also worked as a corporate attorney at Shumaker, Loop and Kendrick, LLP in Tampa, Florida, specializing in mergers and acquisitions and securities law. ♦ Commissioner Brown is a member of the National Association of Regulatory Utility Commissioners (NARUC) and serves on NARUC’s Committee on Gas, Subcommittee on Nuclear Issues–Waste Disposal, and its Presidential Natural Gas Access and Expansion Task Force to help expand natural gas service in neglected and rural areas. She previously served on NARUC’s Committee on Energy Resources and the Environment. She also serves on the NARUC-U.S. Department of Energy Natural Gas Infrastructure Modernization Partnership, facilitating investments in natural gas infrastructure modernization and repairs to natural gas distribution pipeline networks. ♦ Commissioner Brown was recently appointed to the Southern States Energy Board (SSEB) Blue Ribbon Task Force, a partnership project with the U.S. Department of Energy, to help strategize an electric energy policy and regulatory framework in Puerto Rico. ♦ In January 2017, Commissioner Brown was selected to serve on the Financial Research Institute’s Advisory Board. Commissioner Brown was also elected as Chair of the Gas Technology Institute’s Public Interest Advisory Committee in October 2018. A member of the Nuclear Waste Strategy Coalition since 2011, she was elected in early 2016 to serve on its Executive Committee to lead the group’s efforts to expand membership. ♦ Commissioner Brown chaired the Florida Legislature’s Study Committee on Investor-Owned Water and Wastewater Utility Systems and previously served on the New Mexico State University’s Center for Public Utilities Advisory Council. Her civic affiliations have included the City of Tampa’s Architectural Review Commission, the Board of Directors for the Tampa Firefighters Museum, and the Florida Bar’s 13th Judicial Circuit

Continued

Bar Grievance Committee. ♦ Commissioner Brown graduated magna cum laude with a Bachelor of Science from the University of Florida, where she was the recipient of the Outstanding Female Leader award, President of Florida Blue Key, inducted into the Hall of Fame, and received the Dean's Cup for the College of Journalism and Communications. She earned a Juris Doctorate from the University of Florida Levin College of Law, is a member of the Florida Bar, and a member of Leadership Florida, Class XXXIII. Her graduate education included study abroad at the University of Montpellier College of Law in France. ♦ Commissioner Brown and her husband have two children.

Donald J. Polmann, Ph.D., P.E., was appointed to the Florida Public Service Commission (PSC) by Governor Rick Scott for a term beginning January 2, 2017. ♦ Prior to his appointment to the PSC, Commissioner Polmann served as Director of Science and Engineering for Tampa Bay Water, the largest wholesale drinking water supplier in the Southeastern United States. Commissioner Polmann was responsible for strategic planning, engineering and permitting; future needs analysis incorporating risk and reliability; capital, energy, and conservation plans; water-use and environmental permits and compliance; resource management and supply development; and regulatory agency relations. He also served as a primary negotiator on complex permits, rules, settlements, and contracts. Commissioner Polmann had a major role supporting the agency's public-private partnership engagements for alternative supplies and regional infrastructure. The regional water supply authority meets Tampa Bay's drinking water needs with a diverse, flexible supply network, and state-of-the-art water quality monitoring; the region's water is blended from three different sources: groundwater, surface water, and desalinated seawater. ♦ Commissioner Polmann also served as a consulting engineer in private practice for a decade, most recently at ATKINS as Senior Project Director for public sector clients concerning water and environment. Before this, at AMEC in environmental and water resource engineering for a broad set of public and private clients. ♦ His undergraduate degree in Environmental Engineering, with a Minor in Economics, is from Rensselaer Polytechnic Institute. Commissioner Polmann holds a Master's degree in Environmental Engineering Sciences from the University of Florida and a Ph.D. in Civil Engineering from the Massachusetts Institute of Technology. He is a member of the External Advisory Board for the University of Florida Engineering School of Sustainable Infrastructure and Environment. He was named Florida Government Engineer of the Year and is a current member of the Florida Engineering Society, the American Society of Civil Engineers, the National Society of Professional Engineers, and the American Geophysical Union. Commissioner Polmann is a past member, Board of Directors, WaterReuse Research Foundation. He is a graduate, Class of 2004, of the Florida Engineering Leadership Institute. Dr. Polmann's special interests include volunteer work in public schools. ♦ Commissioner Polmann has lived in Florida since 1969. He is married with two children.

Gary F. Clark was appointed to the Florida Public Service Commission (PSC) by Governor Rick Scott on September 15, 2017 to fill an unexpired term. ♦ Prior to his appointment to the PSC, Commissioner Clark most recently served as the Deputy Secretary of Land and Recreation for the Florida Department of Environmental Protection, where he oversaw the 174 state parks and trails, and the Division of State Lands. In this role, he also served as the chair of the Florida Acquisition and Restoration Council and as chairman of the governing board of the Florida Communities Trust. ♦ Commissioner Clark spent the majority of his professional career at West Florida Electric, where he served as the Vice President of Member Services. During his tenure, Commissioner Clark worked in many areas of the company and led the company's diversification efforts. He served for many years as a member of the Association of Energy Engineers where he also earned the distinction as Certified Energy Manager. ♦ Commissioner Clark is recognized for his leadership and service to his community. He has served in several capacities including Washington County School Board member, Chipola College Board of Trustees, Washington County Chamber of Commerce Board of Directors, and the Northwest Florida Water Management District Governing Board. Because of his noteworthy leadership, he has received numerous awards and recognitions. ♦ Commissioner Clark is a graduate of Chipola College and the University of Phoenix and holds a Bachelor of Science in Business Administration. A lifelong resident of Washington County, he has owned and managed several small business operations in Northwest Florida. Commissioner Clark and his wife have two children.

Andrew Giles Fay was appointed to the Florida Public Service Commission by Governor Rick Scott for a term ending on January 1, 2022. Commissioner Fay comes from the Office of the Attorney General, where he served as Special Counsel and Director of Legislative Affairs, Cabinet Affairs, and Public Policy. ♦ As counsel to the Attorney General, Commissioner Fay worked directly with the Power Plant Siting Act, assisting on issues associated with the Florida Cabinet's consideration of electric facility construction and upgrades. Commissioner Fay also served as an advisor to the Attorney General in her work on the Constitution Revision Commission, providing research and information on the energy industry. ♦ Commissioner Fay served under Attorney General Pam Bondi since her office was established in 2011. First serving as Assistant Attorney General, he was the lead attorney on all Legislative matters and also drafted legislation most notably Florida's Information Protection Act (FIPA). ♦ In 2016, Commissioner Fay was named Government Attorney of the Year by the Florida Government Bar Association for his work assisting victims of the attack on the Pulse Nightclub in Orlando. He was also recognized by Florida Trend Magazine as a Legal Elite Government Lawyer in 2016 and 2017.

FPSC EXECUTIVE MANAGEMENT

As of January 2, 2019

EXECUTIVE
DIRECTOR



Braulio L. Baez

DEPUTY
EXECUTIVE
DIRECTOR-
ADMINISTRATIVE



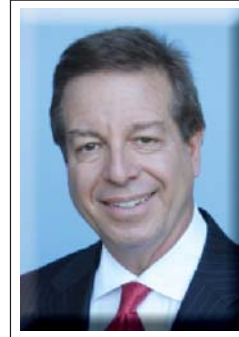
Apryl C. Lynn

DEPUTY
EXECUTIVE
DIRECTOR-
TECHNICAL



Mark Futrell

GENERAL
COUNSEL



Keith Hetrick

DEPUTY GENERAL
COUNSEL



Mary Anne Helton

Braulio L. Baez, Executive Director, is responsible for directing, planning, and administering the overall activities of the Commission staff, except the Office of General Counsel. He consults with and advises the Commissioners on regulatory, internal management, and budgetary matters, and acts as an interagency liaison. Reporting directly to him are the Deputy Executive Director-Administrative and the Deputy Executive Director-Technical.

Apryl C. Lynn, Deputy Executive Director-Administrative, supervises and directs the Commission's administrative staff and counsels the Executive Director on Commission personnel, media relations, consumer assistance, and auditing matters. The Division of Administrative & Information Technology Services, and the Offices of Commission Clerk, Auditing & Performance Analysis, and Consumer Assistance & Outreach are under her direction.

Mark Futrell, Deputy Executive Director-Technical, provides direction and leadership for the technical staff and advises the Executive Director in all technical issues pending or presently before the Commission. He has direct authority over the Divisions of Accounting & Finance, Engineering, Economics, and the Office of Industry Development and Market Analysis.

Keith Hetrick, General Counsel, is the Commission's chief legal counsel and chief ethics advisor. The General Counsel advises the Commission on the legal aspects of its regulatory responsibilities, providing legal representation in court and before federal agencies, offering legal counsel to the Office of Executive Director, and assisting in interagency liaison activities. He supervises the Commission's legal personnel and is charged with the administration and delegation of responsibilities to the lead attorneys in his office. He also provides ethical advice to Commissioners and assists in responding to inquiries from the Legislature.

Mary Anne Helton, Deputy General Counsel, provides direction and leadership for the legal staff and advises the General Counsel on legal issues before the Commission. She oversees the Attorney Supervisors who lead the Economic Regulation, Regulatory Analysis, and Appeals and Rules Sections of the Office of General Counsel. She also advises the Commission during public meetings and evidentiary proceedings.



The Role of Florida's Public Service Commission

MISSION STATEMENT:

*To facilitate the efficient provision of
safe and reliable utility services at fair prices.*

The Commission's work is a balancing act, weighing the needs of consumers with the needs of a utility and its shareholders. For electric, natural gas, and water and wastewater utility companies, the Commission oversees service territories, regulates rates and earnings, and requires utilities to provide service to all who request it. For telecommunications companies, the Commission is responsible for encouraging and promoting fair and reasonable growth within the industry.

The Florida Public Service Commission's (FPSC) mission is to balance the customers' need for reasonable, safe, and reliable utility services with the utility companies' need to provide effective and efficient services. Florida's utilities play a major role in the economic development of cities, regions, and communities working to improve their local business climate. As utilities grapple with industry challenges, FPSC Commissioners are also challenged with difficult decision-making in the public interest. Residential and commercial consumers now want more interactive choices from their utility companies and want more information to make smart energy decisions.

In the midst of industry and technological change, the FPSC's focus remains constant: how do we best ensure safety, reliability, and affordability for all customers. In doing so, the FPSC exercises regulatory authority over utilities in three key areas: rate base/economic regulation; competitive market oversight; and the monitoring of safety, reliability, and service.

- ◆ Rate base/economic regulation involves analyzing requested rate changes and conducting earnings surveillance to ensure that regulated utilities are not exceeding their authorized rates of return.
- ◆ Competitive market oversight facilitates the development of competitive markets and managing issues associated with them.
- ◆ Safety, reliability, and service monitoring contributes to an uninterrupted supply of utility services to the general public and confirms that such services are provided in a reasonable and timely manner with minimal risks.

In each of these areas, the Commission provides consumer assistance, protection, and education services, including responding to consumer questions and complaints and distributing information about using utility services.

*A more detailed description of the FPSC's
role in these key areas follows.*

RATE BASE / ECONOMIC REGULATION

Companies file annual reports which are reviewed to determine their earnings for the prior year. If it appears that a company will experience excessive earnings in the coming year, the FPSC fully analyzes the company's books and records and reduces its rates. The FPSC may determine earnings are subject to refund if the review indicates possible overearnings.

When a company believes its earnings are below a reasonable level, the company can petition the FPSC for a change in rates. After an extensive review of the company's earnings, the Commission determines the company's fair rates and earnings to decide a reasonable rate of return. The Commission also analyzes the actual rates charged by the company, allocates revenue requirements between classes of customers, and develops appropriate rate structures within rate classes.

ENERGY

In addition to annual reports, the investor-owned electric and natural gas companies also file earnings information monthly, quarterly, or semi-annually, depending upon each company's size. These more frequent company filings allow the FPSC to monitor earnings levels on an ongoing basis. Customer rates can be quickly adjusted if a company appears to be overearning. Annually, the FPSC thoroughly reviews each regulated utility's fuel, capacity, conservation, and environmental costs and authorizes recovery of prudently incurred expenses. Other areas of economic regulation for the energy industry include special contracts, new tariff offerings, conservation programs, depreciation, amortization, nuclear decommissioning studies, and fossil fuel dismantlement studies.

WATER & WASTEWATER

In the water and wastewater industries, the FPSC processes a significant number of cases each year. The majority of these cases involve requests for rate increases or limited proceeding increases resulting from the increased cost of providing service. Other cases involve overearnings investigations to determine if a rate reduction is necessary.

The Commission processes water and/or wastewater certification requests, with the majority involving the transfer or amendment of authorization certificates to provide service. Other cases can involve certifying a new utility and setting its initial rates and charges. The Commission also acknowledges abandonments and cancels certificates for systems transferred to exempt entities.

The Legislature has recognized the benefit of reuse to Florida and has enacted provisions in the statutes for the Florida Department of Environmental Protection (DEP), the five water management districts (WMD), and wastewater utilities to employ reuse as a means of effluent disposal and as a method of water conservation. The FPSC's charge is to identify reuse issues related to its jurisdiction and to establish policies that are consistent with statewide goals.

Water conservation is vital to Florida's economy. As an economic regulator, the FPSC is actively involved in demand-side water conservation through rates and rate structure review. Rates and rate structure have a direct bearing on water usage and water resource allocation. The FPSC has a Memorandum of Understanding (MOU) with DEP as well as MOUs with four of the five WMDs to coordinate efforts to improve statewide water quality and meet statewide conservation goals. These agencies provide expert testimony, as necessary, on water quality and conservation issues in rate cases before the FPSC.



When feasible, the FPSC allows utilities to recover expenses related to conservation programs and establishes conservation rates to encourage reductions in water consumption.

COMPETITIVE MARKET OVERSIGHT

The FPSC addresses competitive market structure and regulatory issues in the telecommunications industry, which has transitioned from a monopoly to a competitive market. Two catalysts for the change to a competitive market were innovative technologies that add new markets to established regulated companies and increased service options that provide customer choices.

A key FPSC focus is facilitating competition in the local telephone market, which includes arbitrating agreements between incumbent local exchange companies and competitive local exchange companies when negotiations fail. After interconnection agreements are executed, the FPSC is then charged with interpreting and enforcing the agreements, if requested by one of the affected carriers. The FPSC is responsible for resolving other intercarrier disputes including, but not limited to, federal law addressing resale of services, local interconnection, unbundling, number portability, dialing parity, access to rights-of-way, access to poles and conduits, and reciprocal compensation. The FPSC is also active in monitoring and assessing the status of local competition, processing negotiated agreements, and providing input on legislative and Federal Communications Commission (FCC) initiatives.

Another critical aspect of competitive market oversight in the telecommunications industry is the certification process. Most landline telecommunications companies (excluding interexchange companies) conducting business in Florida are required by state law to be certificated by the FPSC.

By conducting regular reviews of industry practices, the FPSC determines whether entities are engaging in actions that could impede the development of competition. Other major responsibilities involve oversight of numbering resources, the Lifeline Assistance program which helps low-income residents have access to telephone and broadband services, and the Relay program.



The Relay program facilitates telephone use for the deaf, hard of hearing, or speech impaired.

RELIABILITY, SAFETY & SERVICE ISSUES

Through performance and operations investigations, the FPSC obtains information on reliability, service quality, and service availability for review and enforcement.

ENERGY

Electric Reliability

In the electric industry, the FPSC reviews regulated utilities' Ten-Year Site Plans to assess how utilities will meet Florida's energy needs over a ten-year planning horizon. The FPSC considers petitions for the determination of need for electric power plants, transmission lines, and intrastate natural gas pipelines so that adequate generation and transmission facilities will be available to meet the state's power needs.

Electric Distribution Reliability and Infrastructure Hardening

The FPSC also monitors investor-owned utilities' (IOUs) performance by reviewing each company's Electric Distribution Reliability Report, filed annually on or before March 1. In this filing, each IOU reports the latest available data on its various reliability indices, such as System Average Interruption Duration Index (SAIDI) and System Average Interruption Frequency Index (SAIFI). The reliability indices are based on statistical data that measure each IOU's service quality and reliability. The reports also describe the status of each IOU's storm hardening efforts related to ten ongoing initiatives established by the FPSC, including vegetation management, hardening of existing structures, joint-use agreements, auditing pole attachments, and natural disaster preparedness. The Commission reviews these reports to verify the utilities' compliance with Commission requirements and ensure that Florida's utilities are maintaining quality service that is safe and reliable.



Utility storm hardening efforts are reviewed annually.

Electric Safety

By statute, the FPSC is responsible for the safety of the electric grid. The Commission has adopted the National Electrical Safety Code (NESC) as the applicable safety standard for transmission and distribution facilities subject to the FPSC's safety jurisdiction. In addition, Commission rules set requirements for accident reports, quarterly utility compliance reports, and FPSC facility inspections. Electric safety engineers inspect utility electric transmission and distribution construction sites that are selected from utility work orders. In 2018, FPSC engineers examined more than 64,000 electric safety inspection points to ensure the reliability and safety of Florida's electric grid. Any variances from the NESC are corrected through its quality control program.



Safety compliance evaluations focus on corrosion control, leak surveys, leak repairs, emergency response, drug testing, employee training and qualification, maintenance, operation, and new construction.

Natural Gas Pipeline Safety

Approximately 43,000 miles of pipeline comprise Florida's natural gas system. Safety compliance evaluations are conducted annually on all natural gas systems. Evaluations generally result in written notifications of gas safety violations such as failure to repair gas leaks, failure to odorize natural gas, or failure to use qualified welders. All violations must be corrected or scheduled for corrective action pursuant to the Commission's enforcement procedures.

In April 2011, the U.S. Department of Transportation and the Pipeline and Hazardous Materials Safety Administration urged states to replace all bare unprotected steel and cast iron pipelines due to accidents in other parts of the U.S. involving aging infrastructure. The FPSC's Bureau of Safety requested all companies in Florida with aged infrastructure to provide a replacement plan. In September 2012, the Commission approved replacement programs for TECO Peoples Gas System, the Florida Division of Chesapeake Utilities, and Florida Public Utilities Company (FPUC). These three utilities began with a total of 157 miles of cast iron and 760 miles of unprotected steel pipe needing replacement. As of December 2017, approximately 28 miles of cast iron and 284.7 miles of bare steel remain to be replaced. FPUC-Fort Meade also has a Commission approved replacement program for approximately 250 steel service customer connections.

Emergency Operations Center

The Commission is designated as the Lead Response Agency for power and natural gas emergencies for the Office of the Governor. Through the Division of Emergency Management at the state's Emergency Operations Center (EOC), the FPSC provides 24 hours/7 days a week staffing for Emergency Support Function-12 Energy (ESF-12) during state emergencies. ESF-12 coordinates responses to electric and natural gas emergencies and provides information and assistance to a variety of federal and state agencies at the EOC.

The Commission also maintains contact with electric and natural gas utilities serving the affected areas to assess damage and service restoration efforts. Data collected and maintained from these coordination efforts include areas affected, number of customers without electrical power or natural gas, status of generation fuel supply, and estimated restoration time for normal service. This information is used by the EOC to determine the most efficient allocation of resources in response to regional recovery efforts.

In 2018, the FPSC provided around the clock ESF-12 support during pre-season Tropical Storm Alberto in May and for Tropical Storm Gordon in late September. Although the EOC did not activate for Hurricane Florence in September, the EOC monitored and requested reports for outages affecting North Carolina and South Carolina. On October 10, Hurricane Michael made landfall on the Florida Panhandle, and the FPSC provided ESF-12 support for several weeks following the storm.



Commissioner Brown with FPSC staff at the EOC monitoring outage updates.

In the water and wastewater industries, the FPSC monitors quality-of-service issues such as water pressure and capacity. When a consumer complaint regarding water and/or wastewater quality of service is received, if justified, a staff engineer is assigned to work with the consumer and utility personnel to determine the cause of the concern.

Service quality issues are also addressed when a utility files an application for a rate change. The Commission conducts customer meetings or service hearings as a part of the rate case process. Consumer comments at these meetings typically include service quality issues. The FPSC reviews consumer concerns and works with the utility to resolve service issues. When a complaint results from possible violations of DEP public health rules, FPSC staff works with DEP to resolve the issue.

**CONSUMER ASSISTANCE,
PROTECTION & EDUCATION**

By providing effective consumer assistance, protection, and education, the FPSC accomplishes its mission of assisting consumers and educating the public about the Commission’s regulatory role.

The FPSC participates in a variety of outreach events such as consumer forums, community meetings, and customer meetings and hearings, by presenting pertinent information and distributing a variety of consumer publications. Easy access to agency information ensures that consumers can make informed decisions about utility services.

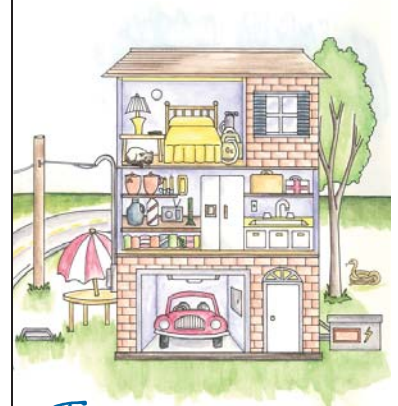
With Florida’s unpredictable weather—as experienced during the 2018 Hurricane Season—and fluctuating fuel costs, consumers have concerns about storm restoration and expenses, which impact the natural gas, electric, and water/wastewater industries. The FPSC website and publications explain the rules that keep utilities prepared for storms, keep fuel costs reasonable, and also highlight the Commission’s statutory obligation to protect consumers by ensuring public safety.

The Commission’s Transfer Connect system offers consumers a quick, efficient option to resolve complaints. When a consumer calls the FPSC’s toll-free consumer assistance line (1-800-342-3552) with a question or a complaint regarding utility services, an FPSC analyst, with the customer’s approval, will transfer the call directly to the utility for handling. Once the consumer’s call is transferred, the utility pays for the call until completion. Each company subscribing to Transfer Connect must provide “live” customer service personnel to handle the transferred calls. Consumers benefit when they can have all of their needs met with a single toll-free call. The Transfer Connect option also allows FPSC staff to consult with a utility representative and pass on caller information, so the caller doesn’t have to repeat it.

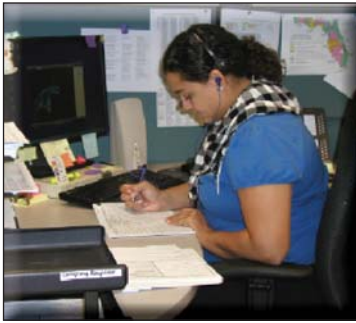
Florida consumers also contact the FPSC regarding water and/or wastewater quality concerns. These concerns are recorded in the FPSC’s Complaint Tracking System and forwarded to the appropriate water and/or wastewater utility for response. DEP is charged with protecting the quality of Florida’s water and protecting the environment from the improper handling and disposal of solid waste. Therefore, the FPSC provides a copy of all water and/or wastewater complaints to DEP on a weekly basis for the agency’s review.



FPSC staff monitors quality-of-service issues such as water pressure and capacity.



The Commission’s Hurricane House, found at www.FloridaPSC.com, helps Floridians prepare for storms.



The FPSC assists consumers with analyzing their utility bills and verifying the accuracy of charges to help resolve disputes between regulated companies and their customers in a fair and efficient manner.



Public meetings provide an inclusive process that allows Florida consumers to participate and share their views with Commissioners.

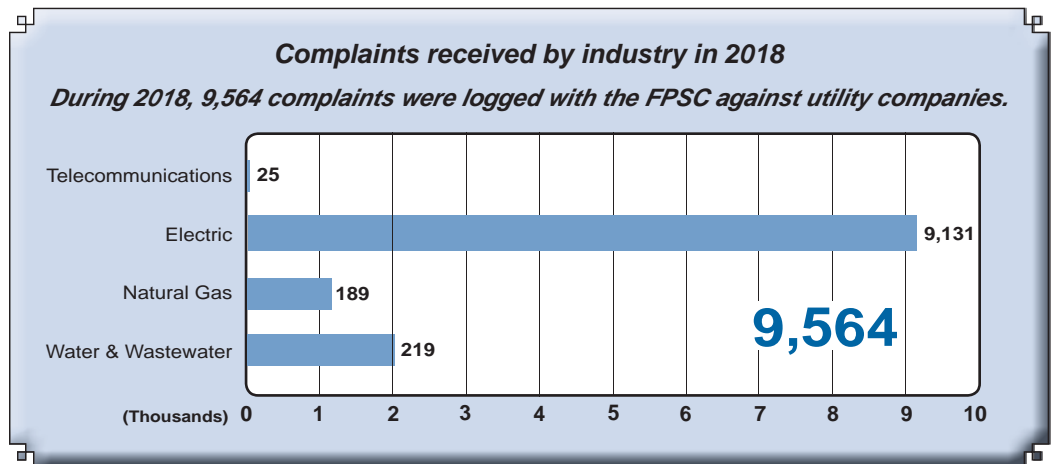
Resolving Consumer Complaints

Assisting consumers is a FPSC priority. Consumers can find a variety of fact sheets, brochures, and consumer tips on the Commission’s website. Residential and business customers needing additional assistance to resolve complaints with Florida’s regulated utilities can receive help from the FPSC’s experienced analysts, who can also provide information on utility payment plans, statutes and rules governing utility companies, and the status of pending cases before the Commission.

Contact the FPSC in the following ways:

- ◆ Complete an online complaint form
- ◆ E-mail: contact@psc.state.fl.us
- ◆ Call toll-free: 1-800-342-3552
- ◆ Fax toll-free: 1-800-511-0809
- ◆ Send correspondence to:
Florida Public Service Commission
Office of Consumer Assistance & Outreach
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

For more information, visit the FPSC’s website at: www.FloridaPSC.com



*Note: Includes non-certificated complaints logged, complaints transferred via the telephone transfer-connect or e-transfer process, and complaints logged and resolved under the three-day rule.
Effective July 1, 2012, FPSC jurisdiction over telecommunications companies changed.
Telecommunications complaints include, Lifeline Assistance program, Florida Relay, and payphone service.*

Since consumer service and protection are integral to the FPSC’s mission, the Commission encourages early, continuous, and meaningful public participation throughout its regulatory process. As part of the FPSC’s education program, information is compiled and relayed to consumers who are offered many opportunities to express comments and ideas to the Commissioners before final decisions occur.

The FPSC closely monitors informal consumer inquiries and complaints to identify trends affecting consumers and then produces related outreach materials to address those needs. The FPSC provides consumers with the information needed to know their rights as utility customers.

Consumers receive information in a variety of ways, including the FPSC website, news releases, consumer newsletters, Twitter, phone or fax, publications, brochures, scheduled FPSC meetings open to the public, and community events. The FPSC’s website, www.FloridaPSC.com, is continuously updated to keep information current and user-friendly. In addition to obtaining information on the website, consumers may file online complaints and inquiries about their utility services. Commission events and meetings are usually accessible online as live or archived video and/or audio broadcasts.

CONSUMER OUTREACH

Each year the FPSC provides educational packets, including FPSC publications and Lifeline brochures and applications in English, Spanish, and Creole to Florida public libraries across the state for consumer distribution. The FPSC's Library Outreach Campaign reached 600 state public libraries and branches in 2018. The FPSC sends materials via a CD that includes a print-ready copy of FPSC brochures for easy reproduction. Following the Campaign, many libraries request additional publications. Their continuing support helps the FPSC reach consumers throughout the state.

National Consumer Protection Week (NCPW), highlighting consumer protection and education efforts, was important to the FPSC's 2018 conservation education efforts. FPSC Chairman Art Graham recognized the 20th Annual NCPW (March 4-10, 2018) by highlighting the FPSC's 130-year history of protecting consumers. He encouraged consumers to contact the Commission for utility information or assistance, if needed. Also during the week, the Commission made seven presentations to consumers throughout the state, showing them how to save money through energy and water conservation and how to avoid scams.

Events to promote energy efficiency and conservation education are annually observed during October's Energy Awareness Month. This year, FPSC Executive Director Braulio Baez shared energy conservation tips with students, who then painted conservation rocks that were placed throughout Tallahassee and Florida. The students' art and conservation messages rocked Florida on Twitter and Facebook! Consumer-related articles about the FPSC's regulatory work are also regularly featured in the *Elder Update*, a bimonthly publication of the Florida Department of Elder Affairs. The popular publication is enjoyed by thousands of Florida seniors free of charge by mail and is also available online.

With its interactive design, the Commission's quarterly Consumer Connection E-Newsletter features current energy and water conservation topics, consumer tips, and general Commission information. Consumer tips highlighted through video and text in 2018 include *Holiday Energy-Saving Gifts*, *Who is the FPSC?*, *Commissioner Donald Polmann Talks Conservation to Students*, *E-Newsletter*, and the *FPSC's Water Walk Highlighting "Imagine A Day Without Water."* The *Consumer Connection E-Newsletter* is available under Consumer Corner on the Commission's homepage, distributed to consumers via Twitter, and emailed to subscribers. Consumers can subscribe to the free newsletter online.

CLICK HERE TO VIEW
Imagine A Day Without Water

The FPSC's quarterly Triple E Award—for Energy Efficiency—recognizes small businesses for implementing Commission-approved, cost effective conservation programs. Covering the state's five major geographic areas, the award identifies a local business that accomplished superior energy efficiency by working with its local utility to help reduce its energy footprint. FPSC Triple E Award recipients are highlighted through a press release, issued statewide, and are featured under Hot Topics on the FPSC's homepage, www.FloridaPSC.com.

To help consumers who might need assistance paying their utility bills, the FPSC compiled *A Guide to Utility Assistance in Florida* that includes contact information for all electric utilities in the state. The booklet gives consumers a way to call their utility to tap into the large network of social service organizations located throughout their area. Many of Florida's electric utilities also have company programs designed to provide emergency assistance funds to customers unable to pay their electric bill, so consumers in need can benefit by contacting their utilities.

Each quarter, the PSC highlights a partner agency or organization whose clients are eligible for the federal Lifeline Assistance telephone/broadband discount program or need help reducing energy and water bills. Through these *PSC Helping Hand* partnerships, the Commission shares information to help consumers avoid scams and stretch their resources to meet monthly bills.



Highlighting easy energy conservation tips, Executive Director Braulio Baez helped students see how little habit changes can make a big difference for the environment and for their parents' energy bills.



Commissioner Julie Brown during filming of "Imagine a Day Without Water."



To assist Florida legislators and other government officials whose constituents might be affected by a specific case before the FPSC, the Commission produces an informational report, the *Florida Public Service Commission Bulletin*. The *Bulletin* provides a background for cases where customer input is considered and helps answer constituent inquiries.

Throughout the year, FPSC Commissioners and/or staff attend customer hearings and meetings around the state. For each hearing or meeting, customers receive a *Rate Case Overview* that explains the case being reviewed and encourages their participation. In 2018, FPSC staff organized and attended 11 customer hearings and meetings, where they addressed citizen questions and concerns and distributed relevant brochures. The FPSC is also required to live stream all off-site meetings attended by two or more Commissioners. This provides greater customer access and participation in FPSC proceedings.

The Commission features many brochures online and in print to help consumers save energy, conserve water, avoid utility-related scams, or learn about the Lifeline Assistance program and other relevant topics. Brochures may be viewed and printed directly from the website, <http://www.FloridaPSC.com/publications/>, ordered free online, or requested by mail or phone.

Examples of events where FPSC information was shared during 2018 include:

- ◆ Fran Carlton Center
- ◆ Florida Senior Day at the Capitol
- ◆ 35th Annual Florida Children’s Day – Florida Museum of History
- ◆ Florida Department of Agricultural and Consumer Services’ Consumer Protection Fair – Ocala
- ◆ Lunch and Learn-Miccosukee Community Center (2)
- ◆ Gadsden County Senior Center
- ◆ Tampa Housing Authority – J.L. Young Garden Apartments
- ◆ The Oaks at Riverview
- ◆ Lunch and Learn - Woodville Senior Center
- ◆ Washington County Council on Aging
- ◆ Advent Christian Village Health and Wellness Fair - Suwannee County
- ◆ Lunch and Learn – Ft. Braden Community Center
- ◆ Earth Day – Museum of Florida History
- ◆ Washington Council on Aging – 2018 Senior Citizen Expo
- ◆ Jacksonville Senior Expo
- ◆ Boynton Beach Senior Center
- ◆ Mae Volen Senior Center
- ◆ Lunch and Learn – Lake Jackson Community Center
- ◆ Tampa Baptist
- ◆ Brandon Center
- ◆ Ruskin Center
- ◆ 2018 Elder Abuse and Fraud Prevention Summit
- ◆ Lunch and Learn – Chaires Community Center
- ◆ 40th Anniversary Celebration – Tallahassee Senior Center
- ◆ Florida Department of Agricultural and Consumer Services’ Consumer Protection Fair – The Villages
- ◆ Central Citrus Community Center
- ◆ CARES Rao Musunuru, M.D. Enrichment Center
- ◆ Louis Dinah Senior Center
- ◆ Mary L. Singleton Senior Center
- ◆ Woodville Community Center
- ◆ Grandparents as Parents Meeting (GaP) Program
- ◆ Florida Department of Agricultural and Consumer Services’ Consumer Protection Fair – L. Claudia Allen Senior Center
- ◆ Chaires Community Center 15th Anniversary Celebration
- ◆ Renaissance Senior Center
- ◆ Marks Street Senior Center
- ◆ Lunch and Learn – Ft. Braden Community Center
- ◆ Lunch and Learn – Bradfordville Community Center

This year, the FPSC participated in consumer programs and distributed energy and water conservation materials through partnerships with governmental entities, consumer groups, and many other service organizations.

2

Highlights of the FPSC's Regulatory Actions for Calendar Year 2018

In 2018, the FPSC regulated 5 investor-owned electric companies, 8 investor-owned natural gas utilities, and 150 investor-owned water and/or wastewater utilities and had competitive market oversight for 329 telecommunications companies in Florida.

The number of certificated telecommunications companies as of November 2018 included:

- ◆ 10 incumbent local exchange companies
- ◆ 275 competitive local exchange companies
- ◆ 44 pay telephone companies

The FPSC does not regulate the rates and service quality of publicly owned municipal or cooperative electric utilities; however, the Commission does have jurisdiction regarding rate structure, territorial boundaries, bulk power supply operations, and power supply planning over 35 municipally owned electric systems and 18 rural electric cooperatives. The FPSC has jurisdiction regarding territorial boundaries and safety, over 27 municipally owned natural gas utilities and 4 gas districts. In addition, the Commission exercises safety authority over all electric and natural gas systems operating in the state.

During 2018, the Commission handled a number of significant regulatory issues that are summarized in the following sections.

TAX CUTS AND JOBS ACT OF 2017

The Tax Cuts and Jobs Act of 2017 (Act) was signed into law by President Donald Trump on December 22, 2017, and applies after December 31, 2017. The Act affected sections of the Internal Revenue Code that will impact the federal tax liability of regulated utilities. Four areas of the Act that affected regulated utilities include: 1) tax rate reduction for corporations from 35 percent to 21 percent; 2) loss of bonus depreciation; 3) flow back of excess deferred taxes caused by the reduction in the corporate tax rate, and 4) treating Contributions in Aid of Construction (CIAC) as taxable income for water and wastewater utilities.

Corporate Rate Change

The Act lowered the tax rate for corporations from 35 percent to 21 percent. Regulated utilities, like other corporate entities, will realize a reduction of 14 percentage points from the previous rate. For unregulated corporations, a lower tax rate means more cash flow and higher earnings. For most regulated utilities, the tax cut will benefit customers. For electric, natural gas, and certain water and wastewater utilities, taxes are part of the utilities' cost-of-service calculation. Therefore, a lower tax rate may translate into lower utility rates for customers.

Loss of Bonus Depreciation

The new law limits the interest expense corporations can deduct to lower their tax bill. The limit is set at 30 percent of EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) and then drops to a more restrictive measure of 30 percent of EBIT (leaving out the depreciation and amortization). Regulated utilities, however, have a 100 percent exemption. Although regulated utilities maintained their 100 percent exemption, they lost bonus depreciation (which allows quicker recovery of capital investments for tax purposes) and utilities cannot write-off capital investments to expense in the year the investment is made as unregulated companies can do under the new law. That puts utilities back on the modified accelerated cost recovery system (MACRS) which is beneficial, but not as beneficial as bonus depreciation or immediate write-off.



The FPSC's mission is to facilitate the efficient provision of safe and reliable utility services at fair prices.



The FPSC is ensuring the Act will appropriately benefit customers.

Deferred Taxes

Generally, deferred taxes arise for regulated utilities due to the book-tax timing difference allowing utilities to book higher depreciation expense (accelerated depreciation) for tax purposes as compared to the straight-line depreciation required by regulation. Regulators require straight-line depreciation to allocate the recovery of investments in equal annual amounts over the life of the investments. Deferred taxes can also arise from various other book-tax timing differences.

Because taxes have been paid by the customer before the company pays them to the government, deferred taxes are recorded on the company's balance sheet as a regulatory liability. Deferred taxes are a cost-free source of capital to the utility, and for regulatory purposes, can be included in the capital structure as zero cost capital or used to reduce rate base. Both treatments have exactly the same effect on the revenue requirement. In Florida, deferred taxes are included as a cost-free source of capital in the capital structure. Deferred taxes reverse over time as the annual straight-line depreciation expense exceeds the annual accelerated depreciation expense in the later years of an asset's useful life. This treatment is required by the Internal Revenue Service (IRS) and is known as normalization accounting (i.e. spreading the benefit over time as opposed to flowing it immediately through to customers).

The deferred taxes currently on utilities' balance sheets were calculated at a 35 percent rate. However, the new lower 21 percent rate means the deferred taxes eventually will be paid to the government at a lower rate. This is a benefit (lower cost) for customers. The new law and normalization accounting require that the deferred tax difference between the 35 percent and 21 percent be booked as a regulatory liability and flowed back (returned) to customers over the regulatory remaining life of the asset. For Florida utilities, the annual flow back of the excess deferred taxes will benefit customers, but will be slightly offset by the gradual reduction of zero cost capital in the capital structure, since this can increase the overall cost of capital.

Contributions in Aid of Construction

The previous law included a carve-out for water and wastewater utilities that excluded CIAC from gross income (i.e. non-taxable). The new law removed that carve-out, thereby making CIAC taxable for water and wastewater utilities. Consequently, water and wastewater utilities that receive and record CIAC will need to petition the Commission to gross-up CIAC for taxes, thereby increasing the cost to customers.

Commission Actions

On February 6, 2018, the Commission voted to establish jurisdiction over all tax savings associated with the Act for all utilities under its jurisdiction. Commission staff opened individual dockets to consider the impacts of the Act for all electric and natural gas utilities subject to Commission jurisdiction. As of December 2018, the Commission has either issued a final order resolving all issues associated with the Act or has hearings scheduled to resolve the issues for all electric and natural gas utilities.

ENERGY

Electric Rate Cases

Florida Power & Light Company

On March 15, 2016, Florida Power & Light Company (FPL) filed a petition requesting a revenue increase of \$866 million effective January 1, 2017, a subsequent adjustment of \$262 million effective January 1, 2018, and a \$209 million limited-scope adjustment effective upon the commercial in-service date of the Okeechobee Clean Energy Center. FPL requested a return on equity (ROE) of 11.50 percent, which included a 50-basis point performance adder to reflect its prior efforts to deliver superior value to its customers and to provide an incentive to promote further improvements in customer value.



Commission staff held informal meetings regarding the Act's impacts for water and wastewater utilities and expects to finalize associated issues as soon as accounting data for 2018 becomes available in 2019.

The Office of Public Counsel (OPC), the American Association of Retired Persons (AARP), the Federal Executive Agencies (FEA), the Florida Industrial Power Users Group (FIPUG), the Florida Retail Federation (FRF), the Larsons (Larsons), the South Florida Hospital and Healthcare Association (SFHHA), the Sierra Club, and Walmart intervened in the proceeding.

On October 6, 2016, a Joint Motion for Approval of Settlement Agreement (Agreement) was filed by FPL, OPC, SFHHA, and FRF. FIPUG took no position on the Agreement, FEA and Walmart did not oppose the Agreement, and AARP, the Larsons, and the Sierra Club objected to the Agreement. The minimum Agreement term covers January 1, 2017 through December 31, 2020. Under the Agreement terms, FPL is permitted to: 1) increase its base rates by \$400 million, effective January 1, 2017; 2) implement a subsequent increase of \$211 million, effective January 1, 2018; 3) implement a \$200 million increase effective on the commercial operation date of the Okeechobee Clean Energy Center, projected for June 2019; and 4) set an ROE at 10.55 percent with an authorized range of 9.60 to 11.60 percent. The Agreement also allows FPL the flexibility to amortize up to \$1 billion of the theoretical reserve surplus, and any remaining surplus from its 2012 Settlement Agreement, to maintain its earned ROE within the authorized range.

Under the Agreement, FPL may seek approval to recover the cost of solar generation projects undertaken during the Agreement term subject to a yearly threshold of 300 MW. FPL would also implement a 50 MW Battery Storage Project and would pursue cost recovery for the project in its next general base rate case. FPL will also terminate its natural gas financial hedging for the Agreement term.

On October 27, 2016, a technical hearing was held on the proposed Agreement. Post hearing briefs were filed by FPL, AARP, Larsons, Sierra Club, and a Joint brief by OPC, SFHHA, and FRF on November 10, 2016. The Commission approved the Agreement on November 29, 2016.

On January 20, 2017, Sierra Club appealed the Commission's order approving the Agreement to the Florida Supreme Court (Court). On June 28, 2017, Sierra Club filed its Initial Brief challenging the recovery of FPL's Peaker Replacement Project. On July 28, 2017, the City of South Miami filed its Amicus Brief in support of Sierra Club's position. On August 3, 2017, the League of Women Voters of Florida filed its Amicus Brief in support of Sierra Club's position.

On October 9, 2017, the Commission, OPC, and FPL filed their respective Answer Briefs to Sierra Club's Initial Brief. Sierra Club filed its Reply Brief, and the Court held oral argument on February 7, 2018. On May 17, 2018, the Court found that the Commission properly applied its public interest standard in reviewing the Agreement, which was supported by competent, substantial evidence; therefore, the Court affirmed the Commission's Order.

Duke Energy Florida, LLC

On August 29, 2017, Duke Energy Florida, LLC (DEF) filed a petition for limited proceeding seeking approval of a proposed 2017 Second Revised and Restated Stipulation and Settlement Agreement (2017 Agreement). Parties to the 2017 Agreement include: DEF, OPC, FIPUG, FRF, White Springs Agriculture Chemicals, Inc. d/b/a PCS Phosphate, and Southern Alliance for Clean Energy (SACE).

The 2017 Agreement contained similar provisions to those in the Commission-approved 2013 Revised Stipulation and Settlement Agreement. However, the 2017 Agreement also included provisions addressing future rate increases, installation of solar generation, recovery of under-recovered fuel costs, and Levy Nuclear Plant costs.

As part of the 2017 Agreement, base rate increases of \$67 million are allowed each year for 2019, 2020, and 2021. The 2017 Agreement also includes a process to seek cost recovery approval for the installation of solar generation (up to 700 cumulative MW/175 MW per year

maximum) to be built from 2018-2022. The 2017 Agreement spread DEF's fuel cost under-recovery over a two-year period beginning January 1, 2018, rather than a single year. Of notable significance is a provision that prohibits any Levy Nuclear Plant cost recovery of any type or nature whatsoever from DEF's retail ratepayers.

In addition, under the 2017 Agreement, DEF's ROE will remain at 10.5 percent, and the company may not petition for a base rate increase until January 2022. The Commission approved DEF's 2017 Agreement on October 25, 2017.

The 2017 Agreement also created a mechanism for addressing any federal corporate income tax reforms. On November 2, 2018, DEF filed a Joint Motion with OPC to approve stipulations to resolve all issues associated with the Tax Cuts and Jobs Act of 2017. The Commission will consider the Joint Motion in January 2019.

Gulf Power Company

On October 12, 2016, Gulf Power Company (Gulf) filed a petition seeking approval to increase its base rates by \$106.8 million, effective July 1, 2017. The requested increase is based on an ROE of 11.0 percent. On November 9, 2016, Docket Nos. 160170-EI (2016 Depreciation and Dismantlement Studies) and 160186-EI (Rate Case) were consolidated. OPC, FEA, SACE, FIPUG, League of Women Voters of Florida (LWF), Wal-Mart Stores East, LP and Sam's East, Inc. (Walmart), and Sierra Club intervened in the proceeding.

On March 20, 2017, prior to the start of the scheduled technical hearing, Gulf and OPC filed a Stipulation and Settlement Agreement (2017 Agreement) resolving all issues raised in the consolidated proceeding. FIPUG and SACE joined OPC and Gulf as signatories to the 2017 Agreement. The remaining parties (FEA, LWF, Walmart, and Sierra Club) did not join the 2017 Agreement, but did not oppose it.

Under the 2017 Agreement terms: 1) Gulf would receive an overall base rate increase of \$62 million; 2) customers would receive an approximate \$7.7 million revenue credit through the Purchased Power Capacity Clause, resulting in a net base rate increase of \$54.3 million; 3) ROE would remain at 10.25 percent, with an allowed range of 9.25 to 11.25 percent; 4) a vehicle charging station five-year pilot program; and 5) a continued moratorium on natural gas financial hedges.

The Commission approved the Gulf's 2017 Agreement on April 5, 2017, which is effective until the Commission approves new base rates for Gulf in a general base rate proceeding.

The 2017 Agreement also created a mechanism for addressing any federal corporate income tax reforms. On February 14, 2018, Gulf filed a Stipulation and Settlement Agreement (SSA) between Gulf and OPC, FIPUG, and SACE (who were all signatories to Gulf's 2017 Agreement) regarding the Tax Cuts and Jobs Act of 2017

The SSA provided: 1) a \$18.2 million annual base rate reduction; 2) a \$69.4 million refund through the 2018 fuel cost recovery clause; 3) a \$15.6 million reduction to its 2018 Environmental Cost Recovery Clause recovery; and 4) a 53.5 percent equity ratio cap for all retail regulatory purposes.

On August 29, 2018, Gulf filed a Stipulation and Settlement Agreement (2018 Agreement) between Gulf and OPC, FIPUG, FRF, and SACE regarding the remaining Tax Act issues. On October 30, 2018, the FPSC held a hearing and approved the 2018 Agreement, reducing Gulf's 2018 fuel cost recovery by an additional \$9.6 million.

Tampa Electric Company

On September 27, 2017, Tampa Electric Company (TECO) filed a petition for a limited proceeding to seek Commission approval of its 2017 Amended and Restated Stipulation and

Settlement Agreement (2017 Agreement) for base rates beginning January 1, 2017 through December 31, 2021. The signatories include TECO, OPC, FIPUG, FRF, FEA, and West Central Florida Hospital Utility Alliance. Per the 2017 Agreement, TECO's base rates would increase each year to allow for recovery of its planned solar generation expansion, up to 600 MW, through a solar base rate adjustment (SoBRA). Solar project in-service dates are September 1, 2018 and January 1 of 2019, 2020, and 2021, allowing for maximum annual SoBRA increases of \$30.6 million, \$50.9 million, \$30.6 million, and \$10.2 million, respectively. TECO must petition the Commission for cost recovery of each SoBRA adjustment.

The 2017 Agreement: 1) sets an ROE range of 9.25 to 11.25 percent; 2) allows a 25 basis point trigger mechanism in the event of a specified rise in US Treasury bond interest rates; 3) allows an adjustment for any federal or state income tax reform; 4) allows cost recovery for storm damages caused by named storms; and 5) allows an Asset Optimization/Incentive Program for a four-year period beginning January 1, 2018 that shares savings achieved from the program with its customers. TECO will also not engage in new natural gas financial hedging contracts or seek recovery of costs related to investments in oil or natural gas exploration, reserves, or production.

A technical hearing on the 2017 Agreement took place on November 6, 2017 and, in a bench decision, the Commission approved the Agreement. TECO's 2017 Agreement is effective through December 31, 2021.

On February 21, 2018, Docket No. 20180045-EI was opened to consider impacts of the Tax Cuts and Jobs Act of 2017 on TECO. At the hearing on August 20, 2018, consistent with the 2017 Agreement, the Commission approved a \$102.7 million annual base rate reduction.

Florida Public Utilities Company

On July 3, 2017, Florida Public Utilities Company (FPUC) filed a petition for a limited proceeding to increase base rates by \$1.8 million. Reasons for this increase request related to its storm hardening initiatives, modernization and safety improvements, and its FPL Interconnect project. On September 21, 2017, OPC intervened in the case.

On November 28, 2017, FPUC and OPC filed a Joint Motion for Stipulation and Settlement Agreement (Agreement). The Agreement: 1) allows FPUC's revenue to increase by \$1,558,050, representing \$13.5 million in capital expenditures for 12 projects; 2) continues its current ROE of 10.25 percent, with a range of 9.25 to 11.25 percent; 3) allows FPUC to petition for cost recovery associated with a named storm; and 4) allows FPUC to adjust rates due to any federal tax reform. New rates began in January 2018. During the Agreement term, FPUC may not petition for a base rate increase unless its annual revenues are impacted by more than \$800,000 in a contiguous four-month period.

The Commission approved the Agreement on December 12, 2017, and it is effective until December 2019.

On December 11, 2018, the Commission approved the Tax Settlement reached by FPUC and OPC resulting in an annual base rate reduction of more than \$925,000. For 2018, \$638,000 in net savings was applied to storm costs, and starting in January of 2019 the savings will be used to permanently reduce rates. Another \$288,000 in deferred tax savings will first reduce fuel costs and replenish storm reserve funds, then the savings will be used to further reduce base rates in January 2021.

Natural Gas Rate Cases

Florida City Gas

On October 23, 2017, Florida City Gas (FCG) filed a petition requesting a base rate increase of \$19.3 million. On October 24, 2017, OPC filed its notice of intervention. Of that amount, \$3.5 million covers the utility's investment in a Commission-approved backyard mains and service



Customer Service Hearings are scheduled for every rate case. Held in the utility's service area, they allow Commissioners to hear directly from customers.

relocation program, which is being recovered through a separate surcharge on customers' bills, into rate base. The remaining \$15.8 million, according to FCG, was necessary for the utility to earn the requested ROE of 11.25 percent. As part of its requested increase, FCG petitioned for construction of a new Liquefied Natural Gas (LNG) facility in South Florida to serve as a natural gas supply source. FCG also requested interim rate relief of \$4.9 million, which the Commission approved at the December 12, 2017 Commission Conference. Service Hearings were held in January 2018.

On March 12, 2018, a joint motion for approval of a Stipulation and Settlement Agreement was filed by FCG, OPC, and FEA. The Agreement: 1) authorized an ROE of 10.19 percent; 2) cost recovery for the new LNG facility; and 3) provided a base rate increase of \$11.5 million, effective June 1, 2018, an additional \$2.5 million on June 1, 2019, followed by a \$1.3 million increase on December 1, 2019.

The FPSC approved the Agreement on March 26, 2018, effective from June 1, 2018 through May 2022. Rates shall continue beyond 2022 unless changed by Commission Order.

Depreciation, Dismantlement, & Nuclear Decommissioning Studies

Depreciation rates for regulated utilities are set by the Commission to ensure that cost recovery is provided for categories of assets while they are in service. Unless modified by Commission order, depreciation studies are required to be filed every four years by electric companies and every five years by gas distribution companies.

Dismantlement studies for electric utilities that own and operate fossil fuel generating units are required to be filed with the Commission every four years unless modified by Commission order. These studies provide updated cost estimates to dismantle a fossil fuel generating unit at the end of its useful life; the information in these studies is also used to determine whether a company needs to recover funds, in current customer rates, that will be necessary to pay for dismantlement.

Decommissioning studies for electric utilities that own and operate nuclear generating units are required to be filed with the Commission every five years unless directed otherwise by the Commission. These studies provide updated estimates of the cost to decommission a nuclear unit at the end of its useful life; the information in these studies is also used to determine whether a company needs to recover funds, in current customer rates, that will be necessary to pay for decommissioning.

Depreciation and Dismantlement

People's Gas System (PGS) entered into a 2018 Settlement Agreement with OPC and FIPUG regarding the tax impacts of the Tax Cuts and Jobs Act of 2017 which included provisions allowing for certain reductions in depreciation rates and annual depreciation expense beginning January 1, 2019. The Commission approved the Agreement, including the depreciation adjustments, on September 12, 2018. The revised rates are expected to result in a reduction of \$10.3 million in PGS' depreciation expense in 2019.

Decommissioning

On October 25, 2017, the Commission approved DEF's Second Revised and Restated Stipulation and Settlement Agreement, which included revisions to the decommissioning of the Crystal River Unit 3 (CR3) nuclear generating facility. As a result, DEF's filing deadline for submitting its next decommissioning study was changed from March 31, 2019, to March 31, 2022, or with its next base rate proceeding, whichever occurs first. In 2018, DEF submitted a partial decommissioning study for informational purposes and noted that the company will file a complete study on or before March 2022, in accordance with Commission rules.



Decommissioning studies provide updated estimates of the cost to decommission a nuclear unit at the end of its useful life.

Power Plant, Transmission Line, and Natural Gas Pipeline Need Determinations

On March 19, 2018, the Commission approved a determination of need filed by FPL for the Dania Beach Clean Energy Center Unit 7, a natural gas-fired combined cycle power plant to be located in Broward County. The proposed 1,163 MW power plant is projected to begin service in June 2022 and cost approximately \$888 million.

On May 25, 2018, the Commission approved a determination of need filed by Seminole Electric Cooperative, Inc. (SECI) for the Seminole Combined Cycle Facility and a joint petition filed by SECI and Shady Hills Energy Center, LLC. (Shady Hills) for the Shady Hills Combined Cycle Facility. The Seminole Combined Cycle Facility is a natural gas-fired combined cycle power plant to be located in Putnam County. The proposed 1,108 MW, power plant is projected to begin service in December 2022 and cost approximately \$727 million. The Shady Hills Combined Cycle Facility is a natural gas-fired combined cycle power plant to be located in Pasco County. The proposed 546 MW power plant is projected to begin service in December 2021. On June 20, 2018, the Commission's final order granting the petitions was appealed and is currently under review at the Supreme Court.

Fuel Diversity

Florida's electric utilities are required by law to furnish adequate, reliable electric service at a reasonable cost to customers. Meeting customer demand in uncertain economic conditions represents a significant challenge. Since the late 1990s, utilities across the nation, including those in Florida, have selected natural gas-fired generation as the predominant source of new capacity. The use of natural gas for electricity production in Florida increased from 19.3 percent in 1995 to an estimated 64.9 percent in 2018.

Given the potential volatility of natural gas prices, the Florida Legislature, since 2005, established policies addressing the importance of diversifying fuels used for electricity generation. These initiatives include enhancing contract provisions for the purchase of renewable energy by investor-owned utilities, encouraging customer-owned renewable energy resources, placing emphasis on energy efficiency and conservation, and establishing regulatory treatment for costs associated with nuclear construction.

Nuclear Cost Recovery

In 2006, the Florida Legislature enacted Section 366.93, Florida Statutes (F.S.), to encourage utility investment in nuclear electric generation by creating an alternative cost recovery mechanism. The statute directed the Commission to allow IOUs to recover certain construction costs in a manner that reduces the overall financial risk associated with building a nuclear power plant. In 2007, the statute was amended to include integrated coal-gasification combined cycle plants, and in 2008, it was again amended to include new, expanded, or relocated transmission lines associated with the plants. The statute required the Commission to adopt rules that provide for annual reviews and cost recovery for nuclear plant construction through the existing Capacity Cost Recovery Clause (CCRC). By Order No. PSC-07-0240-FOF-EI, the Commission adopted Rule 25-6.0423, Florida Administrative Code (FAC), fulfilling the requirements of, and implementing, Section 366.93, F.S.

Pursuant to the rule, all prudently incurred preconstruction costs and carrying charges will be recovered directly through the CCRC. Once a utility obtains an affirmative need determination for a power plant covered by the statute, the affected utility may petition for cost recovery using this alternative mechanism.

In 2013, the Florida Legislature enacted amendments to Section 366.93, F.S., which required: 1) that affected utilities seek FPSC approval prior to commencing certain project activities; 2) a revision to the rate used to calculate carrying costs; and 3) deadlines for construction work to begin once the utility receives its Combined Operating License from the Nuclear Regulatory Commission. The Commission subsequently adopted revisions to Rule 25-6.0423, FAC, to incorporate these amendments to the statute, effective in January 2014.



Natural gas usage is expected to remain at approximately 60 percent over the next ten years.

Florida Power & Light Company

The Commission approved the uprate for FPL's existing four nuclear units, St. Lucie 1 & 2 and Turkey Point 3 & 4, as well as for two new nuclear units, Turkey Point 6 & 7. FPL completed the uprate of its existing nuclear units in 2013, adding 522 megawatts of new nuclear capacity. FPL also received site certification in May 2014 for new nuclear units Turkey Point 6 & 7 from the Governor and Cabinet, sitting as the Power Plant Siting Board.

In June 2014, the Turkey Point 6 & 7 Site Certification was appealed by Miami-Dade County, City of South Miami, Village of Pinecrest, and City of Miami. On April 20, 2016, the Third District Court of Appeal reversed and remanded the Site Certification noting deficiencies in three areas: the application of local land development regulations, the Siting Board's conclusion that it could not require underground installation of transmission lines, and the Siting Board's interpretation of the nature and applicability of a County regulation. The remand process of the Site Certification is ongoing.

In April 2018, the Nuclear Regulatory Commission issued FPL a Combined Operating License for Turkey Point Units 6 & 7. FPL has initiated a "pause" in the further development of the Turkey Point Units 6 & 7 project and did not seek to participate in the 2018 Nuclear Cost Recovery. At present, FPL anticipates that this "pause" will last approximately four years.

Duke Energy Florida, LLC

DEF obtained Commission approval for the uprate of the Crystal River 3 nuclear unit, as well as two new nuclear units proposed to be built in Levy County.

In February 2013, DEF announced it would retire and decommission Crystal River 3. In August 2013, DEF announced it would not construct the Levy Project in the current timeframe, and that it would cancel the Levy Project Engineering, Procurement, and Construction contract. DEF filed a Petition for Limited Proceeding to Approve a Revised and Restated Stipulation and Settlement Agreement (2013 Agreement) that was signed by the OPC and other parties representing consumers. The Commission approved the 2013 Agreement, which addressed issues from multiple dockets. Agreement terms included:

- ◆ DEF's recovery amount for the Levy Project will reflect the use of a prescribed fixed factor set by rate class until recovery of remaining unrecovered investment is complete.
- ◆ DEF is allowed to recover its Crystal River 3 Uprate Project costs through Nuclear Cost Recovery consistent with Section 366.93(6), F.S.

In May 2015, the Commission approved a DEF petition to end recovery of Levy Project costs using the fixed factors set in 2013.

In October 2017, the Commission approved DEF's 2017 Second Revised and Restated Stipulation and Settlement Agreement. This Agreement provides no further recovery of uncollected past, present or future Levy Project costs.

At an evidentiary hearing on August 7, 2018, the Commission approved \$43.2 million for recovery in 2019 related to the DEF Crystal River 3 Uprate Project. DEF will not participate in future Nuclear Cost Recovery proceedings, with any final true-up associated with the Crystal River 3 Uprate Project being addressed in the CCRC.

Fuel Cost Recovery

By Order No. PSC-2018-0028-FOF-EI, issued January 8, 2018, the fuel and capacity cost recovery factors for 2018 were set.

In 2018, FPL filed two mid-course correction petitions to address its projected fuel costs. The first petition was filed on November 17, 2017, and lowered fuel cost recovery factors beginning in March, 2018. By Order No. PSC-2018-0105-PCO-EI, issued February 26, 2018, the Commission approved FPL's mid-course correction to reflect the impact of the Commission-

approved St. John's River Power Park transaction. The second mid-course correction petition was filed on April 16, 2018, and lowered capacity cost recovery factors beginning in July 2018 to reflect the impact of the Tax Cuts and Jobs Act of 2017. By Order No. PSC-2018-0313-PCO-EI, issued June 18, 2018, the Commission approved FPL's petition.

On November 5-6, 2018, the FPSC held its annual cost recovery clause hearing to address the true-up of 2018 fuel costs and to establish 2019 fuel cost recovery factors for the five electric IOUs.

For DEF, fuel cost recovery amounts and factors will be lower in 2019, although overall bills will be slightly higher due to base rate adjustments for new generating facilities will be reflected on customer bills beginning in January. Overall, the fuel cost recovery portion of a residential customer's 1,000 kWh bill will decrease by \$3.00 per month, but other changes will result in a total bill that is \$0.88 per month higher, beginning in January.

For FPL, fuel cost recovery amounts and factors will be slightly higher in the early part of 2019, but will decline in March and again in June when new solar energy facilities are completed, and a new power plant comes on-line. Because of the staggered actions in 2019, customers will see slight increases in overall bills in January (increase of \$1.81 per month), in March (an additional increase of \$0.31 per month), and again in June (an additional increase of \$0.44 per month).

For Gulf, fuel cost recovery amounts and factors will be higher in 2019 primarily because under-recovered fuel costs from 2017 and 2018 are being collected. Overall, the fuel cost recovery portion of a residential customer's 1,000 kWh bill will increase by \$0.98 per month in 2019, but other changes will more than off-set the elevated fuel amounts.

For TECO, fuel cost recovery amounts and factors will be lower in 2019. Overall, the fuel cost recovery portion of a residential customer's 1,000 kWh bill will decrease by \$4.13 per month in 2019, and the overall bill will be lower by \$8.31 per month.

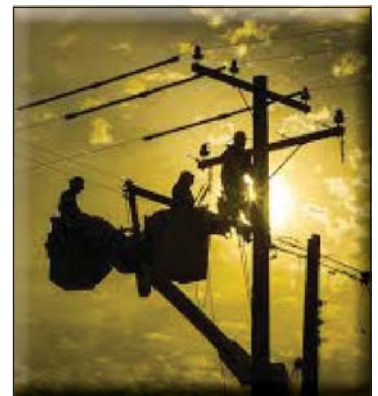
For FPUC, fuel cost recovery amounts and factors will be higher in 2019 by \$2.06 per month, primarily due to unrecovered fuel amounts from 2018. However, in December 2018, the Commission approved a tax-related action that addressed a portion of FPUC's unrecovered fuel cost recovery balance, which limited what otherwise would have resulted in a higher fuel cost recovery amount.

Storm Cost Recovery

Since 2015, Florida has experienced the landfall or effects of nine named storms. Each of Florida's electric investor-owned utilities (IOUs) under the Commission's jurisdiction has incurred costs related to damage caused by named storms. Utilities seeking to recover storm costs outside of a rate case must file a petition with the Commission. The requested costs are audited and analyzed to determine whether the costs meet the criteria for recovery set forth by Commission rule. In 2018, four of the five electric IOUs have pending dockets to address incurred costs related to Hurricane Irma and/or other prior named storms. The Commission held a hearing on December 11, 2018 for Florida Public Utilities Company, and the Commission will hold hearings for the three remaining electric IOUs in the second and third quarters of 2019.

Storm Hardening Initiatives

On September 10, 2017, Hurricane Irma made landfall in Florida, affecting the majority of the state. On October 3, 2017, the FPSC directed its staff to open a generic docket (20170215-EU) to review electric utility hurricane preparedness and restoration activities. An objective of the docket was to collect and analyze forensic data, review tree trimming practices, and review pole inspection cycles to help identify potential options for additional damage mitigation. Commission staff issued several data requests to all utilities in the state of Florida, and sought comments from non-utility stakeholders and customers. On May 2-3, 2018, the



Storm hardening involves physically changing infrastructure to make it more capable of withstanding extreme weather events.

Commission held a workshop to discuss preparation and restoration processes, hardened vs. non-hardened facility performance, underground vs. overhead performance, impediments to restoration, customer/stakeholder comments, and suggested improvements based on lessons learned.

In July 2018, the FPSC issued a report on its analysis. Overall, key findings show the length of power outages was reduced, indicating that storm hardening practices work. Results demonstrated that hardened distribution facilities performed better than non-hardened facilities, and power outages primarily resulted from falling trees, vegetation, and debris outside the utilities' rights of way. In addition, going forward the FPSC will: 1) open IOU storm hardening review dockets earlier than previously scheduled; 2) collect data on FPL's and DEF's targeted undergrounding projects as part of its annual distribution reliability review; and 3) initiate audits on IOU outage restoration time estimates and on transmission inspections and maintenance.

Conservation Activities for Electric Utilities

The Florida Energy Efficiency and Conservation Act (FEECA), enacted in 1980, emphasizes reducing the growth rates of weather-sensitive peak demand, reducing and controlling the growth rates of electricity consumption, and reducing the consumption of scarce resources, such as petroleum fuels. During the 2008 legislative session, the Legislature amended FEECA to place greater emphasis on the pursuit, through utility sponsored incentives, of all cost-effective customer conservation and energy efficiency measures including demand-side renewable energy systems. Under FEECA, the FPSC must establish numeric conservation goals for each FEECA utility, at least every five years. FEECA goals were most recently set by the FPSC in 2014, taking into account the provisions of the revised FEECA statutes, changes in market conditions, improved energy efficiency standards for customer appliances, and updated building codes for residential and commercial construction.

To implement the goals, each FEECA electric utility filed Demand-Side Management plans in 2015, outlining a set of programs for residential and commercial/industrial customers designed to meet the FEECA goals. The Commission approved the plans for all seven FEECA utilities on July 21, 2015.

In 2018, the Commission evaluated each FEECA utility's achievements in meeting its established 2017 conservation goals. This evaluation was incorporated into the Commission's Annual Report on Activities Pursuant to the Florida Energy Efficiency and Conservation Act, which was submitted to the Governor and Legislature in December 2018. Goal setting proceedings for the years 2020 through 2029 will take place in mid-2019.

Investor-owned utilities are allowed to recover prudent and reasonable expenses for conservation programs approved by the Commission through the Energy Conservation Cost Recovery clause. Each year, the Commission audits and evaluates these expenses and holds a full evidentiary hearing to determine the appropriate conservation cost recovery factor for customers' bills. In November 2018 the Commission set the 2019 conservation cost recovery factors for the electric IOUs, which range from \$0.97 to \$3.21 a month for a residential customer using 1,000 kWh.

Territorial Agreements & Disputes for Electric & Gas Utilities

Section 366.04, F.S., gives the Commission authority to approve territorial agreements and resolve service territory disputes between utilities. In 2018, the Commission approved a territorial agreements between Duke Energy Florida, LLC. and Peace River Electric Cooperative.



Customers today want the tools and information to make informed energy choices so they can manage their energy use and save on their bills.

Renewable Energy Initiatives

Renewable Energy Standard Offer Contracts

Section 366.91, F.S., requires the utilities subject to the Florida Energy Efficiency and Conservation Act to continuously provide a standard contract for purchasing capacity and energy from renewable energy resources. Contracts are filed annually on April 1 and are based on each fossil-fuel generating technology type in a utility's Ten-Year Site Plan. In 2018, the Commission approved standard contracts for each IOU for the purchase of renewable energy.

Currently, renewable energy facilities provide approximately 2,583 MW of firm and non-firm generation capacity, which represented 4.3 percent of Florida's overall generation capacity of 59,948 MW in 2017. Approximately 780 MW are considered firm, based on either operational characteristics or contractual agreement. Solar generation contributes approximately 163 MW to this total, based upon the coincidence of solar generation and summer peak demand. Firm renewable generation is relied on to serve customers and contributes toward the deferral of new fossil fueled power plant construction.

The remaining renewable generation produces energy on an as-available basis or for internal use (self-service). As-available energy is considered non-firm and is not counted on for reliability purposes; however, it contributes to the avoidance of burning fossil fuels in existing generators. Self-service generation reduces demand on Florida's utilities.

Utility-Scale Solar Generation

FPL has brought into service 596 MW of solar generation through the construction of eight 74.5 MW sites. TECO has brought into service 144.7 MW of solar generation through the construction of one 74.4 MW site and one 70.3 MW site. JEA has contracted for 75 MW of solar generation service to begin in December 2018.

Customer-Owned Renewables

In 2008, the Commission amended Rule 25-6.065, F.A.C., to facilitate customer-owned renewable generation by expanding the size of systems qualifying for expedited interconnection and establishing a requirement to allow net metering. The rule requires IOUs to offer a standard interconnection agreement with an expedited interconnection process and net metering for all types of customer-owned renewable generation up to 2 MW in capacity. The Florida Legislature extended net metering requirements to municipal and rural electric cooperative utilities as well. Customers benefit from renewable systems by reducing their energy purchases from the utility. Under the Commission's rule, net metering provides an additional benefit for IOU customers by allowing excess renewable energy production to be credited to monthly bills, thereby reducing future energy purchases from the utility.

Reports submitted in April 2018 by the IOUs and municipal and rural electric utilities show that the number of customers owning renewable generation systems in Florida is growing. In 2008, when the rule became effective, there were 577 customer owned renewable generation systems, which accounted for 3 MW of renewable capacity. At year end 2017, there were 24,157 customer-owned systems interconnected, amounting to approximately 204 MW of renewable capacity. The FPSC will continue to enforce existing renewable policies and explore additional policies to benefit Florida's consumers.



Several utilities have either brought into service or contracted for service with utility-scale solar generation projects in 2018.

TELECOMMUNICATIONS

ILEC Wholesale Performance Measures

The Commission is responsible for ensuring that incumbent local exchange carriers (ILECs) are meeting their obligation to provide unbundled access, interconnection, and resale to competitive local exchange companies (CLECs) in a nondiscriminatory manner. To ensure that ILECs are meeting their obligations, the Commission adopted wholesale performance

measurement plans for the three largest ILECs operating in Florida: AT&T, CenturyLink, and Frontier. The plans establish a minimum level of acceptable wholesale service quality that the three ILECs must provide to the CLECs. Wholesale service quality is measured in such areas as ordering, provisioning, and repair timeliness.

Each ILEC furnishes monthly performance reports to the Commission for review and assessment. Commission staff applies trending analysis to detect and correct any degradation in the quality of wholesale service provided to CLECs.

Intercarrier Relations and Rulemakings

The FPSC is authorized by state and federal law to arbitrate and enforce interconnection agreements (ICAs). When carriers cannot agree to the terms or an interpretation of their ICA, they file a complaint with the FPSC for dispute resolution. Often during this process, the FPSC will facilitate an agreement among the parties, and their complaint will be withdrawn.

In 2018, the FPSC analyzed disputes between CLECs and ILECs involving trunking construction, billing, and outages.

Also this year, the FPSC conducted rulemakings regarding certificate holder information, competitor certification, and Lifeline Assistance.

Lifeline Assistance for Low-Income Consumers

The Tele-Competition Innovation and Infrastructure Enhancement Act of 2003 requires that a statewide cooperative effort support the Lifeline Assistance (Lifeline) program in Florida. As part of the federal Universal Service Program, Lifeline is designed to make telecommunications services more affordable for low-income households. This is done by providing up to a \$9.25 discount on monthly phone bills. Alternatively, consumers can choose to receive a free Lifeline cell phone and monthly minutes. As part of reform measures adopted by the FCC in 2016, consumers can now use their Lifeline support to receive the same discount for broadband service, or a bundle of voice and broadband services. However, eligible consumers can only receive one Lifeline-supported service per household.

Dozens of local, state, and federal agencies, organizations and businesses, and 18 telecommunications companies were involved in the collaborative effort to increase awareness and participation in the Lifeline program in 2018. Promotional activities in 2018 featured National Consumer Protection Week, Older Americans Month, and ongoing “grass roots” efforts to increase awareness and enrollment in the Lifeline program. Each month, the FPSC sends a cover letter and informational packet to two organizations to encourage continued Lifeline outreach to their eligible clientele.

National Lifeline Awareness Week is observed each September (September 10-14 2018). “Stay Connected Florida!” was the slogan for Florida’s 2018 Lifeline Awareness Week. In addition to increasing awareness among eligible citizens, this year’s Lifeline Awareness Week continued educating residents about the discount on voice and broadband services. Lifeline Awareness Week consumer events were held in Lecanto, Hudson, Jacksonville, and Woodville to help Florida’s eligible residents connect with the Lifeline program. Each event also offered individual assistance to consumers interested in the program.

As of June 2018, 694,647 eligible households participated in the Florida Lifeline Program. The five companies with the highest Lifeline enrollment in Florida were Assurance Wireless, SafeLink Wireless, Access Wireless, CenturyLink, and Frontier Florida, collectively representing 99 percent of the Florida Lifeline customers. The following table shows the number of Lifeline subscribers from June 2015 through June 2018.



The FPSC attends or coordinates at least two community events each month to promote the Lifeline program.

Lifeline Participation Rate in Eligible Florida Households for 2015-2018

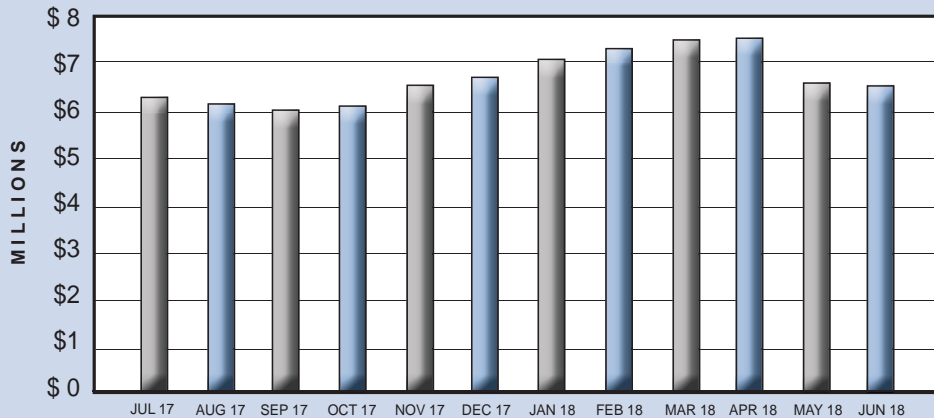
Year	Lifeline Enrollment	Eligible Households	% Participation Rate
June 2015	833,426	2,011,166	41.40%
June 2016	852,255	1,712,005	49.80%
June 2017	685,864	1,662,374	41.30%
June 2018	694,647	1,628,111	42.67%

Source: U.S. Department of Agriculture

The following table shows the Universal Service Administrative Company's (USAC) Florida Lifeline disbursements for the 12-month period ending June 2018. The amount disbursed totaled \$80,813,546, an average of \$6.7 million per month. These amounts also include support corrections or true-ups from prior months when errors are made.

USAC Low Income ETC Disbursements to Florida Providers

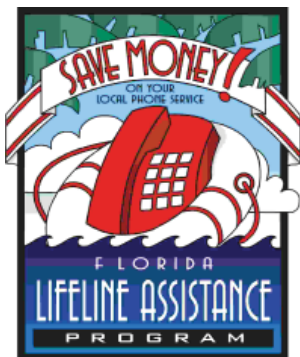
JULY 2017 - JUNE 2018



Source: USAC Disbursements Florida July 2017-June 2018

Additional information about the FPSC's 2018 Lifeline activities and a complete list of the Lifeline Partners assisting with promotional efforts are available in the FPSC's report, *Number of Customers Subscribing to Lifeline Service and the Effectiveness of Procedures to Promote Participation*. A printed copy of the report may be requested from the FPSC or accessed on the FPSC website under the Publications tab/Reports and Other Resources/Telecommunications at this link: www.floridapsc.com/Files/PDF/Publications/Reports/Telecommunication/Lifeline/Report/2018.pdf.

To prevent a Lifeline subscriber from receiving duplicate Lifeline benefits, USAC established a National Lifeline Accountability Database to determine if a prospective subscriber is already receiving Lifeline support from another eligible telecommunications carrier (ETC). By FCC mandate, USAC also established an automated means to determine Lifeline eligibility through a national database.



The Lifeline Assistance program helps low-income residents have access to telephone and broadband services.

Actions Taken by the FPSC

The FCC made significant changes to its Lifeline rules in 2016, including changes to eligibility criteria and the inclusion of Lifeline support for broadband services. This necessitated the FPSC to reach out to Florida Lifeline stakeholders to discuss and plan for the changes.

The FPSC conducted a meeting of the Lifeline Working Group—established under Section 364.10(2)(g)3, F.S.—including the FPSC, Department of Children and Families (DCF), OPC and Florida ETC's offering Lifeline service.

Topics included the new FCC Order (FCC 16-38) and revised Lifeline rules, an FPSC rulemaking related to the Lifeline program, the readiness of Florida ETCs to implement the new rules by the December 2, 2016 effective date, concerns with the new FCC rules, Florida ETC outreach plans to inform consumers of the new rules, and standards to advertise the availability of Lifeline services using media of general distribution pursuant to federal rules.

On December 1, 2017, the FCC released an Order implementing further reforms to the federal Lifeline program. The FCC sought comment on whether to limit Lifeline support to facilities-based carriers, whether to continue the phase down of voice-only support, possible changes to the existing Lifeline budget, and strategies intended to limit waste, fraud and abuse. On February 21, 2018, the FPSC submitted comments.

The FPSC noted in the comments that while it remains concerned about the growth of the Lifeline budget, it does not believe the FCC's proposal to limit support to facilities-based carriers will more efficiently meet the needs of Lifeline consumers. First, resellers contribute, albeit indirectly, to the infrastructure of the underlying network. Second, some prominent facilities-based carriers have already left the Lifeline market. For example, in Florida, AT&T has withdrawn as an ETC in areas where it is not eligible to receive high-cost support. Resellers are the only option in many of the areas where AT&T has relinquished its ETC designation for wireline service.

The FPSC also asserted that customers should have the option to continue receiving Lifeline support for voice-only service, and the FCC should eliminate its planned phase down of support for voice-only services. The FPSC noted that if the only way to receive Lifeline voice service is to combine it with broadband, the combined services may become cost prohibitive for some consumers without an increase in financial support from the Lifeline program. Furthermore, some consumers may have concluded that they do not need broadband service. Consumers are best situated to determine if they need or can afford both broadband and voice services.

The FPSC continues to enforce safeguards to prevent waste, fraud, and abuse of the federal Universal Service Fund (USF) and takes appropriate action when necessary. The FPSC monitors Lifeline disbursements from the USF monthly to determine if reported and reimbursed funds are consistent with the number of actual Lifeline customers. By participating in the National ETC State Coordinating Group to monitor prospective and existing ETCs, Florida is a front runner in enforcing safeguards. This information sharing has enabled other states in the Group to monitor new ETC petitioners and existing ETCs to prevent waste, fraud, and abuse on a national basis that results in less upward pressure on the fund's fees.

Florida Relay Service

Approximately three million persons living in Florida have been diagnosed as having a hearing loss. Section 427.704, F.S., charges the Commission with overseeing the administration of a statewide telecommunications access system which provides Telecommunications Relay Services (FRS) to Floridians who are deaf, hard-of-hearing, or speech impaired, and others who communicate with them.

FRS facilitates telephone calls between people with hearing loss or speech disabilities and other individuals by using special equipment and a communications assistance operator to

relay information. A monthly surcharge of up to \$.25 per landline telephone funds the distribution of specialized telecommunications devices and intrastate relay service. The current surcharge is \$.10 per landline telephone.

In 2017, the contract for the provision of relay service was due for renewal. The FPSC oversaw the bidding process and awarded the contract to Sprint, the current provider. The three-year contract, began in March 2018.

FEDERAL ACTIVITY

Energy

The FPSC actively monitors federal energy-related issues, including Congressional legislation and activities at the Federal Energy Regulatory Commission (FERC) and the U.S. Environmental Protection Agency (EPA). Section 366.015, F.S., directs the Commission to maintain a liaison with federal agencies whose policy decisions and authority affect electric and gas utilities under the Commission's jurisdiction. Active participation in federal agency processes is encouraged to convey the Commission's policy positions in order to provide more efficient regulation. During 2018, the Commission monitored actions by the FERC on electric utility transmission planning compliance filings and other rulemaking activities. Also, the Commission continued its review of activity related to the EPA's rules on carbon emissions from existing and new electric generating units including appellate court actions and proposed rulemaking by the new administration. In August 2018, EPA issued the proposed Affordable Clean Energy rules. The Commission filed comments on these proposed rules in October 2018.

Telecommunications

The FPSC actively monitors federal telecommunications issues. Section 364.012, F.S., encourages participation in federal agencies' cases that might affect Florida consumers to convey the FPSC's policy positions. The Commission files comments with the FCC in response to actions that can affect Florida citizens, as well as periodically informing the Florida Congressional delegation and other affected state agencies on federal issues. Areas of particular emphasis include proceedings relating to the federal USF, intercarrier compensation, and telephone relay. Each of these areas can and do have substantial financial impacts on Florida carriers and telecommunications consumers. For example, Florida is the second largest net contributor state to the USF, and the FPSC has consistently taken positions before the FCC to reduce and/or limit growth of the fund's size.

In addition to federal Lifeline issues, in 2018 the FPSC monitored several FCC proceedings, including net neutrality, state recertification of relay services, and carrier responses to Hurricane Michael outages.

WATER & WASTEWATER

Water & Wastewater Rate Cases

Depending on the utility's request, water and wastewater rate cases are processed as staff assisted rate cases, limited proceedings, or file and suspend rate cases. In 2018, the Commission processed six staff assisted rate cases pursuant to Section 367.0814, F.S. The Commission also processed one file and suspend rate case requested by a larger water and wastewater company and completed one application for a limited proceeding.

In 2018 staff continued to perform its normal surveillance of the earnings levels of water and wastewater companies regulated by the FPSC. There were a few utilities identified for potential overearnings that are still under review. Also during 2018 the Commission processed 56 index applications and 12 pass-through applications for water and wastewater companies.



During 2018 the Commission processed 56 index applications and 12 pass-through applications for water and wastewater companies.

Water & Wastewater Certification Cases

In 2018, the Commission received one application for an amendment to expand service territory from South Sumter Utility Company, LLC in Lake and Sumter counties. The Commission received two applications for quick-take amendments from Pine Harbour Waterworks, Inc. in Lake County and Sunshine Utilities in Marion County.

Transfers of water and wastewater certifications in 2018 included Kincaid Hills Water Company to Gator Waterworks, Inc.; Sunrise Utilities, LLC to Sunrise Water, LLC; and Alturas Utilities, LLC to Alturas Water LLC. In addition, applications for transfer of authority, as a matter of right, included Windstream Utilities Company to the City of Ocala Water and Sewer.



Agency Organization

The Commission consists of five members appointed by the Governor and confirmed by the Senate. Commissioners serve four-year terms, as provided in Chapter 350, F.S.

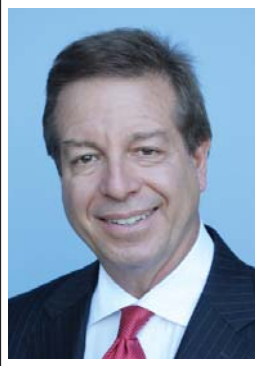
Commissioners are selected for their knowledge and experience in one or more fields substantially related to the duties and functions of the Commission. These fields include economics, accounting, engineering, finance, natural resource conservation, energy, public affairs, and law.

Created by the Florida Legislature in 1887, the FPSC was originally called the Florida Railroad Commission and primarily regulated railroad passenger and freight rates and operations. As Florida grew, the Commission's purpose expanded.

- ◆ In 1911, the Legislature added regulation of telephone and telegraph companies.
- ◆ In 1929, jurisdiction was granted over motor carrier transportation.
- ◆ In 1951, the Commission began regulating investor-owned electric companies.
- ◆ In 1952, jurisdiction was extended to the regulation of natural gas utilities.
- ◆ In 1959, the Commission began regulating privately owned water and wastewater systems.

The Commission's divisions and offices are described in the next section, concluding with a list of all past and present Florida Public Service Commissioners.

**Office of
General Counsel**



Keith Hetrick
General Counsel

**Office of
Inspector General**



Steve Stolting
Inspector General

**Division of
Administrative
& Information
Technology Services**



Bobby Maddox
Director

The **Office of General Counsel** provides legal counsel to the Commission on all matters under the Commission's jurisdiction. This office also supervises the procedural and legal aspects of all cases before the Commission. In addition, this office assists in responding to inquiries from the Legislature.

The office is responsible for defending Commission orders on appeal, for defending Commission rules challenged before the Division of Administrative Hearings, and for representing the Commission before state and federal courts. To assist FPSC offices and divisions, this office offers support in making filings with, or presentations to, other federal, state, or local agencies. The office advises in the promulgation of rules and attends or conducts rulemaking hearings at the Commission's direction. It also reviews procurement contracts; counsels the Commission on ethics, personnel, contractual, public records, and other administrative legal matters; and offers mediation services to parties in Commission proceedings.

In cases involving evidentiary hearings before the Commission or an Administrative Law Judge, the office is responsible for conducting discovery, presenting staff positions and testimony, and cross-examining other parties' witnesses. In conjunction with the appropriate technical staff, this office prepares recommendations to the Commission and prepares written Commission orders.

The **Office of Inspector General** is established by law to provide a central point for coordinating activities that promote accountability, integrity, and efficiency in government. The office reports directly to the Chairman, and its responsibilities include conducting internal audits and investigations, assessing the validity and reliability of data and information produced by the Commission, and coordinating external audits and reviews of the Commission by the Auditor General and others.

The office also monitors corrective actions to address identified deficiencies. These activities help management ensure that Commission programs perform as intended and that fraud or abuse is detected and eliminated.

ADMINISTRATIVE DIVISIONS & OFFICES

The **Division of Administrative & Information Technology Services** assists in preparing the Commission's Legislative Budget Request, monitors the operating and non-operating budgets, and assists in preparing budget amendments as necessary.

The *Fiscal Services Section* handles the payment of all vendor invoices, processes travel reimbursement to staff, and prepares checks for deposit to financial institutions.

The *Human Resources Section* administers the agency's human resources program, including recruitment, selection, classification and pay, attendance and leave, performance evaluations, training and staff development, employee relations, payroll, insurance, and other employee benefit programs.

The *General Services Section* supports imaging, duplicating, mail distribution, audiovisual, hearing and conference room operations, and fax systems. This section is also responsible for all agency purchasing, security and safety issues, leasing, surplus property, and fleet management.

The *Bureau of Information Technology Services* monitors and evaluates the information processing and telephony needs of the FSPC, proposing enhancements to information processing resources to management and providing technical support services. Additionally, the bureau manages the agency-wide, administrative procedures manual and forms inventory/tracking processing.

The **Office of Commission Clerk**, the official keeper of the Commission's public records, is responsible for coordinating public record requests. It records, prepares, and maintains transcripts of Commission Conferences, Internal Affairs meetings, hearings, and workshops. The office is authorized to issue subpoenas in proceedings before the Commission and is responsible for preparing, certifying, and transmitting records on appeal to the upper tribunal. The Commission Clerk, designated as the Agency Clerk and the Records Management Liaison Officer, coordinates the FPSC's records management program, is responsible for issuing non-Commissioner signed orders and notices, and, as the custodian of records, certifies copies of official filings.

The *Documents and Case Management Section* accepts and processes filings and maintains the official docket by ensuring the integrity, timeliness, and availability of filings in the Case Management System (CMS) and on the FPSC website. It is responsible for managing and coordinating the establishment of new dockets, issuance of orders and notices to parties and interested persons, case closure, and preparation of statistical and management reports. This section responds to information requests, invoices for services and, upon applicable payment, provides the responsive documents. It maintains the Master Commission Directory (MCD) of utilities and provides notification to Commission employees regarding the adoption of new or amended rules. This section also administers the records management program and activities.

The *Events and Hearing Reporting Section* prepares and notices events such as Commission Conferences, Internal Affairs meetings, hearings, prehearings, workshops, and rulemaking in the Florida Administrative Register. This section prepares the FPSC's Schedule of Live Events from the established Commission calendar and provides support staff to record these events. It also maintains the calendar of Commission activity and issues various reports.

The **Office of Auditing & Performance Analysis** conducts audits and reviews in all industries. The *Performance Analysis Section* conducts utility management and operational audits and identifies areas for improvement. These audits may be limited to one company or conducted on a comparative basis between several companies. Areas for investigation may include internal controls, process or procedure analysis, construction project management, quality assurance, service quality, and rule compliance. Special investigations are also conducted relating to allegations of utility fraud, mismanagement, and other whistleblower complaints.

The *Bureau of Auditing* is responsible for audits and reviews in all industries. The types of audits and reviews performed include financial, compliance, billing, and verification. The auditors conduct examinations of utility-related financial and operating records and provide an independent verification of the supporting documentation for any statements or filings made by regulated companies. Financial audits are conducted in conjunction with utilities' requests for rate increases through rate cases or the annual cost recovery clauses to ensure ratepayers only pay for prudently incurred expenses. This bureau conducts financial audits from three district offices in Tallahassee, Miami, and Tampa.

The **Office of Consumer Assistance & Outreach** is the Commission's liaison with the public and the media. Providing effective consumer assistance and education, the *Bureau of Consumer Assistance* receives, processes, and resolves consumer complaints and informal disputes between customers and utilities. Consumers may file complaints via a toll-free telephone number or online and by mail, fax, or e-mail. In addition to helping resolve complaints, the bureau provides consumer information about utility payment plans, statutes and rules governing utility companies, and the status of pending cases before the FPSC.

By producing and distributing the agency's news releases and maintaining familiarity on a broad array of dockets, issues, and related activities affecting consumers or having media interest, the *Outreach Section* ensures that timely, accurate information is disseminated to the public. This section handles media inquiries and also participates in community meetings, consumer forums, and customer meetings and hearings by presenting agency information and

Office of Commission Clerk



Adam Teitzman
Director

Office of Auditing & Performance Analysis



Dale Mailhot
Director

Office of Consumer Assistance & Outreach



Cynthia Muir
Director

distributing a variety of consumer publications, including information on the Lifeline Assistance Program.

Other office responsibilities include selecting locations and coordinating logistics for customer service hearings, handling consumer outreach and media at customer meetings and service hearings, updating information and processing submissions to the agency's website, and, when needed, managing incoming calls to the Commission Suite.

The office also coordinates and produces several FPSC reports and publications, including the *FPSC Annual Report*, *Comparative Rate Statistics*, *Facts & Figures of the Florida Utility Industry*, *The Statement of Agency Organization & Operations*, *Inside the PSC*, and the quarterly *Consumer Connection E-Newsletter*.

TECHNICAL DIVISIONS & OFFICES

Division of Accounting & Finance



Andrew Maurey
Director

The **Division of Accounting & Finance** reviews the revenue requirements of rate base regulated electric, natural gas, and water and wastewater utilities and monitors earnings for these industries through reviews of surveillance filings and utility annual reports. The division manages the utilities' annual report process including all mailings, extensions, filings, delinquency notices, penalty letters, and show cause recommendations.

The division is also responsible for processing requests for base rate changes requested by electric, natural gas, and water and wastewater utilities, as well as Commission-initiated overearnings investigations. Processing base rate change requests includes analyzing filings, expert testimony, and exhibits; developing interrogatories and production of documents requests; preparing cross-examination questions; presenting staff testimony; holding customer meetings; and presenting recommendations to the Commission, including a recommended return on equity. The division is also responsible for reviewing storm cost recovery petitions and assessing the revenue requirement effect of tax law changes on regulated electric, natural gas and water and wastewater utilities. Water and wastewater utilities' requests for index and pass through rate adjustments and staff assisted rate cases are also processed by the division.

In addition, the division makes recommendations to the Commission on annual fuel cost recovery clause petitions filed by electric utilities. Recommendations are provided on fuel costs, purchased power costs, and capacity costs. The division also monitors monthly electric utilities' fuel costs.

Other responsibilities include processing applications from investor-owned natural gas and electric utilities regarding allowance for funds used during construction and security issuances, evaluating requests for corporate undertakings, analyzing income tax issues, and calculating the interest on refunds.

Division of Engineering



Tom Ballinger
Director

The **Division of Engineering** is responsible for providing recommendations pertaining to technical issues coming before the Commission. Issues may include evaluation of engineering capital cost estimates and actual utility plant expenditures, determination of annual revenue requirements and life cycle costs, establishment of adequate margins of reserve, and analysis of operating and maintenance costs. Additionally, the division is responsible for cost-effectiveness determinations, taking into consideration the impacts on Florida's consumers, regulated industries, and the regulatory environment.

All docketed and undocketed matters involving the engineering and safety aspects of Florida's electric, natural gas, and water and wastewater utilities within the Commission's jurisdiction are the division's responsibility. The division has primary responsibility for programs such as the *Ten-Year Site Plans*, conservation goals and programs, cogeneration and renewable

generation contract approvals, modifications and buyouts, and bulk power interconnection standards. The division also coordinates issue resolutions pertaining to storm hardening, construction standards, meter accuracy and testing, electric and gas pipeline safety, emergency planning and operations, water and wastewater margin of reserve, and used and useful determinations.

The division annually prepares the *Review of Ten-Year Site Plans* and the *Review of Florida's Investor-Owned Electric Utilities Service Reliability Reports*. The division is also responsible for staffing the Emergency Support Function 12 in the Emergency Operations Center to provide outage and restoration information regarding electric and natural gas service during a state of emergency.

The **Division of Economics** provides recommendations to the Commissioners on the design and application of retail rates and tariffs for all electric, natural gas, and water and wastewater utilities subject to the Commission's jurisdiction. In addition, the division provides primary technical support for all cases involving territorial agreements or disputes for electric and natural gas utilities.

Reviewing the development and application of depreciation rates and practices for inclusion in base rate revenue requirements is another division function. On a rotating basis, the division is also responsible for processing requests for base rate changes requested by electric, natural gas, and water and wastewater utilities.

In addition to rate and tariff matters, the division provides econometric and statistical analyses, including forecasts and other statistical projections, for all investor-owned regulated industries. The division also prepares a *Statement of Estimated Regulatory Cost (SERC)*, required by statute for all proposed and revised administrative rules. SERC's evaluate the costs and benefits of the proposed rule change, including analyses on the public and business sectors. In addition, the division reviews investor-owned electric utilities' *Load Research Sampling Plans*.

The division has primary responsibility for preparing the annual *Florida Energy Efficiency and Conservation Act Report* and that portion of the *Review Ten-Year Site Plan* that addresses the adequacy of electric utilities' load and energy forecasts. In addition, the division has primary responsibility for three annual cost recovery clause proceedings. In these proceedings, investor-owned utilities are allowed to recover dollar-for-dollar reasonable and prudent costs related to: (1) electric utility conservation programs, (2) natural gas utility efficiency programs, and (3) natural gas utility gas commodity and transportation. The division also assists the Division of Engineering in proceedings and recommendations to the Commission regarding conservation goals, plans, and programs.

The **Office of Industry Development & Market Analysis** is responsible for the critical assessment of the evolving utility industry and development of strategies that most benefit Florida's residents. The office analyzes developing policies and prepares recommendations for implementing state and federal laws, including strategy alternatives for consideration by the Commission. The office serves as a technical liaison with the Florida Legislature and state agencies, including the Florida Department of Agriculture and Consumer Services' Office of Energy. Also, the office monitors and advises the Commission on Congressional activities and federal agency actions that may impact Florida consumers and utilities, including the Federal Energy Regulatory Commission, the Environmental Protection Agency, the Nuclear Regulatory Commission, and the Federal Communications Commission. The office provides support to Commissioners for NARUC activities pertaining to energy, spent nuclear fuel, environmental regulations, energy efficiency, renewables, and telecommunications, as well as technical support to other staff in docketed and undocketed matters.

Division of Economics



Judy Harlow
Director

Office of Industry & Market Analysis



Cayce Hinton
Director

The office participates in special studies concerning energy policy, develops discussion papers, analyzes alternative regulatory approaches, and prepares technical analyses of special projects for all industries. The office analyzes policy relating to the adequacy, quality, and affordability of Florida's water resources and analyzes issues affecting the water and wastewater industry.

The office also handles issues that involve the wholesale oversight of the wireline telecommunications industry. The office is responsible for facilitating dispute resolutions between carriers about local interconnection agreements and other wholesale issues. Companies entering an agreement can either negotiate between the parties or have the FPSC arbitrate unresolved operational issues. Once an interconnection agreement is executed, the parties may come to the FPSC to resolve a dispute of contract language interpretation. The office also processes cases involving area code relief, number conservation plans, number resource reclamation, local number portability, and other numbering issues.

Florida's Lifeline Assistance Program, which provides discounted telecommunications services to low-income consumers, is monitored and the office addresses issues related to Lifeline and provides recommendations on eligible telecommunications carrier designations. The office also oversees the Florida Relay Program, which provides telecommunications services for the deaf and hard of hearing, and facilitates the resolution of consumer complaints relating to Lifeline, Telephone Relay, and payphones.

All certification filings are processed, along with the related administrative functions for all telecommunication companies and pay telephone providers. The office processes local telephone service providers' schedules of rates and terms, if filed with the FPSC, and negotiated agreements. The office monitors company compliance with various FPSC rules and initiates action if warranted. The office also acts as the FPSC's technical liaison with the Federal Communications Commission.

The office prepares a number of annual publications for the Commission, including: *The Status of the Telecommunications Access System Act of 1991*; *Report on the Status of Competition in the Telecommunications Industry*; *Florida Lifeline Assistance*; *Report on the Efforts of the Florida Public Service Commission to Reduce the Regulatory Assessment Fee for Telecommunications Companies*; *Net Metering Report*; *Statistics of the Florida Utility Industry*; and *Long Range Program Plan*.

FPSC COMMISSIONER HISTORY

Commissioner	Years Served	Replaced By	Appointed By
George G. McWhorter	08/17/1887 - 06/13/1891		
E.J. Vann	08/17/1887 - 06/13/1891		
William Himes	08/17/1887 - 06/13/1891		
The Commission was abolished by the Legislature in 1891, and recreated in 1897			
R.H.M Davidson	07/01/1897 - 01/03/1899	John L. Morgan	
John M. Bryan	07/01/1897 - 01/06/1903	Jefferson B. Brown	
Henry E. Day	07/01/1897 - 10/01/1902	R. Hudson Burr	
John L. Morgan	01/03/1899 - 01/08/1907	Royal C. Dunn	
R. Hudson Burr	10/01/1902 - 01/04/1927	R.L. Eaton	
Jefferson B. Brown	01/06/1903 - 01/08/1907	Newton A. Blitch	
Newton A. Blitch	01/08/1907 - 10/30/1921	A.D. Campbell	
Royal C. Dunn	01/04/1909 - 01/04/1921	A.S. Wells	
A.S. Wells	01/04/1921 - 12/16/1930	L.D. Reagin	
A.D. Campbell	11/12/1922 - 02/10/1924	E.S. Mathews	
E.S. Mathews	02/25/1924 - 01/16/1946	Wilbur C. King	
R.L. Eaton	01/04/1927 - 02/27/1927	Mamie Eaton-Greene	
Mamie Eaton-Greene	02/27/1927 - 01/08/1935	Jerry W. Carter	
L.D. Reagin	12/16/1930 - 07/06/1931	Tucker Savage	
Tucker Savage	07/06/1931 - 01/03/1933	W.B. Douglass	
W.B. Douglass	01/03/1933 - 08/04/1947	Richard A. Mack	
Jerry W. Carter	01/08/1935 - 01/05/1971	William H. Bevis	
Wilbur C. King	01/08/1947 - 07/18/1964	William T. Mayo	
Richard A. Mack	09/15/1947 - 01/05/1955	Alan S. Boyd	
Alan S. Boyd	01/05/1955 - 12/01/1959	Edwin L. Mason	
Edwin L. Mason	12/01/1959 - 01/06/1969	Jess Yarborough	
William T. Mayo	09/01/1964 - 12/31/1980	Katie Nichols	Graham*
Jess Yarborough	01/06/1969 - 01/02/1973	Paula F. Hawkins	
William H. Bevis	01/05/1971 - 01/03/1978	Robert T. Mann	
Paula F. Hawkins	01/02/1973 - 03/21/1979	John R. Marks, III	
Robert T. Mann***	01/04/1978 - 01/03/1981	Susan Leisner	Graham**
The Commission became appointive January 1, 1979			
Joseph P. Cresse***	01/02/1979 - 12/31/1985	John T. Herndon	Askew/Graham
Gerald L. Gunter***	01/02/1979 - 06/12/1991	Susan F. Clark	Askew/Graham/PSC Nominating Council
John R. Marks, III***	03/22/1979 - 03/02/1987	Thomas M. Beard	Graham**
Katie Nichols***	01/02/1981 - 01/03/1989	Betty Easley	Graham
Susan Leisner	02/16/1981 - 04/02/1985	Michael McK. Wilson	Graham
Michael McK. Wilson***	07/12/1985 - 11/22/1991	Luis J. Lauredo	Graham/Martinez
John T. Herndon	01/07/1986 - 04/17/1990	Frank S. Messersmith	Graham
Thomas M. Beard***	03/03/1987 - 08/13/1993	Diane K. Kiesling	Martinez
Betty Easley	01/03/1989 - 01/05/1993	Julia L. Johnson	Martinez
Frank S. Messersmith	06/19/1990 - 02/05/1991	J. Terry Deason	Martinez
J. Terry Deason***	02/06/1991 - 01/01/2007	Ken Littlefield	PSC Nominating Council/Chiles/Bush
Susan F. Clark***	08/15/1991 - 07/31/2000	Michael A. Palecki	Chiles/Bush
Luis J. Lauredo	01/23/1992 - 05/16/1994	Jose "Joe" Garcia	Chiles
Julia L. Johnson***	01/05/1993 - 11/15/1999	Lila A. Jaber	Chiles
Diane K. Kiesling	12/07/1993 - 01/05/1998	E. Leon Jacobs, Jr.	Chiles
Jose "Joe" Garcia***	08/19/1994 - 06/30/2000	Braulio L. Baez	Chiles
E. Leon Jacobs, Jr.***	01/06/1998 - 01/07/2002	Rudolph K. "Rudy" Bradley	Chiles
Lila A. Jaber***	02/29/2000 - 12/02/2004	Lisa Polak Edgar	Bush
Braulio L. Baez***	09/01/2000 - 01/01/2006	Katrina J. Tew	Bush
Michael A. Palecki	12/19/2000 - 01/06/2003	Charles Davidson	Bush
Rudolph K. "Rudy" Bradley***	01/02/2002 - 01/01/2006	Matthew M. Carter II	Bush
Charles M. Davidson	01/07/2003 - 06/01/2005	Isilio Arriaga	Bush
Lisa Polak Edgar***	01/02/2005 - 01/01/2017	Donald J. Polmann	Bush/Crist/Scott
Isilio Arriaga	10/06/2005 - 01/31/2007	Nathan A. Skop	Bush
Matthew M. Carter II***	01/02/2006 - 01/01/2010	Ben A. "Steve" Stevens III	Bush
Katrina J. McMurrin	01/02/2006 - 10/05/2009	David E. Klement	Bush
Ken Littlefield	01/02/2007 - 01/31/2007	Nancy Argenziano	Bush
Nancy Argenziano***	05/02/2007 - 10/12/2010	Eduardo E. Balbis	Crist
Nathan A. Skop	05/02/2007 - 01/01/2011	Julie I. Brown	Crist
David E. Klement	10/22/2009 - 05/30/2010	Art Graham	Crist
Ben A. "Steve" Stevens III	01/02/2010 - 05/30/2010	Ronald A. Brisé	Crist
Art Graham***	07/16/2010 - 01/01/2022		Crist/Scott
Ronald A. Brisé***	07/23/2010 - 01/01/2018	Andrew Giles Fay	Crist/Scott
Eduardo E. Balbis	11/24/2010 - 01/01/2015	Jimmy Patronis	Crist/Scott
Julie I. Brown***	01/02/2011 - 01/01/2023		Crist/Scott
Jimmy Patronis	01/02/2015 - 06/25/2017	Gary F. Clark	Scott
Donald J. Polmann	01/02/2017 - 01/01/2021		Scott
Gary F. Clark	09/15/2017 - 01/01/2023		Scott
Andrew Giles Fay	02/02/2018 - 01/01/2022		Scott

* 2 year initial term

** 3 year initial term

*** Served/serving as Chairman