

BCC Mtg. Date: April 26, 2022

# FLORIDA PUBLIC SERVICE COMMISSION

## COMMISSION CONFERENCE AGENDA

**CONFERENCE DATE AND TIME:** Tuesday, April 5, 2022, 9:30 a.m.

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

**DATE ISSUED:** March 24, 2022

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### NOTICE

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

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

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

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

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**EMERGENCY CANCELLATION OF CONFERENCE:** If a named storm or other disaster requires cancellation of the Conference, Commission staff will attempt to give timely notice. Notice of cancellation will be provided on the Commission's website (<http://www.floridapsc.com>) under the Hot Topics link on the home page. Cancellation can also be confirmed by calling the Office of Commission Clerk at 850-413-6770.

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County Administrator  
Chief Sustainability and Resilience Officer Jeff Benavides  
Utilities Department Director Ed Torres

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**ITEM NO.**

**CASE**

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1\*\*

**Consent Agenda**

PAA

A) Application for Certificate of Authority to Provide Pay Telephone Service.

<u>DOCKET NO.</u>	<u>COMPANY NAME</u>
20220020-TX	Tillman FiberCo Florida, LLC
20220027-TX	EarthGrid PBC
20220043-TX	BIF IV Intrepid OpCo LLC

**Recommendation:** The Commission should approve the action requested in the dockets referenced above and close these dockets.

**ITEM NO.**

**CASE**

2\*\*

**Docket No. 20210122-WS** – Proposed amendment of Rules 25-30.025, 25-30.4345, 25-30.445, 25-30.446, 25-30.455, 25-30.456, and 25-30.565, F.A.C., related to water and wastewater utilities.

**Rule Status:** Rule Hearing

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** La Rosa

**Staff:** GCL: Cowdery

AFD: T. Brown

ECO: Guffey

**Issue 1:** Should the Commission make changes to proposed Rule 25-30.445, F.A.C., General Information and Instructions Required of Water and Wastewater Utilities in an Application for a Limited Proceeding?

**Recommendation:** No. The Commission should not make changes to proposed Rule 25-30.445, F.A.C., but should adopt the rule as it was proposed on October 14, 2021, as shown in Attachment A of staff’s memorandum dated March 24, 2022.

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

**Recommendation:** Yes. The rule as approved by the Commission should be filed with the Department of State pursuant to Section 120.54(3), F.S., and the docket should be closed.

**ITEM NO.**

**CASE**

3\*\*PAA

**Docket No. 20220018-GU** – Petition for limited proceeding to address the impacted of changes to Florida state income tax rates by Peoples Gas System.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Graham

**Staff:** AFD: Cicchetti

GCL: Brownless

**Issue 1:** Should the Commission allow the adjusted net operating income impacts on annual revenue requirements from the 2021 state tax rate change and the 2022 anticipated state tax rate change to be offset and addressed via the Company's Cast Iron Bare Steel Replacement Rider that will be filed in September 2022 for rates effective January 2023?

**Recommendation:** Yes. Staff recommends the Commission allow the adjusted net operating income impacts on annual revenue requirements from the 2021 state tax rate change and the 2022 anticipated state tax rate change to be offset and addressed via the Company's Cast Iron Bare Steel Replacement Rider that will be filed in September 2022 for rates effective January 2023.

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

**Recommendation:** Yes. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order. If a protest is timely filed, the docket shall remain open pending resolution of the proceeding.

**ITEM NO.**

**CASE**

4\*\*PAA

**Docket No. 20220053-EI** – Petition for limited proceeding to address base rates and charges to reflect the impact of the 2021 temporary state income tax rate reduction, by Tampa Electric Company.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** La Rosa

**Staff:** AFD: Cicchetti

GCL: Brownless

**Issue 1:** Should the Commission approve Tampa Electric Company's calculation of the total revenue requirement reduction of \$6,198,225 associated with the state corporate income tax rate of 3.535 percent for 2021 and the true-up of the estimated excess accumulated deferred state income taxes that were previously calculated as of December 31, 2018 and order the Company to include the revenue requirement reduction in its 2021 Energy Conservation Cost Recovery Clause true-up filing to be filed in the spring of 2022?

**Recommendation:** Yes. Staff recommends the Commission approve Tampa Electric Company's calculation of the total revenue requirement reduction of \$6,198,225 associated with the state corporate income tax rate of 3.535 percent for 2021 and the true-up of the estimated excess accumulated deferred state income taxes that were previously calculated as of December 31, 2018 and order the Company to include the revenue requirement reduction in its 2021 Energy Conservation Cost Recovery Clause true-up filing to be filed in the spring of 2022.

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

**Recommendation:** Yes. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order.

**ITEM NO.**

**CASE**

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5\*\*PAA

**Docket No. 20210016-EI** – Petition for limited proceeding to approve 2021 settlement agreement, including general base rate increases, by Duke Energy Florida, LLC.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** La Rosa

**Staff:** ENG: Wooten, Ellis

AFD: Cicchetti

GCL: Trierweiler, Weisenfeld

**Issue 1:** Should the Commission approve DEF’s calculation of the tax reform impacts and acknowledge that DEF has agreed to forego collection of the associated deficiency?

**Recommendation:** Yes. Staff recommends the Commission approve DEF’s calculation of the tax reform impacts and acknowledge that DEF has agreed to forego collection of the associated deficiency of \$98,969.

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

**Recommendation:** Yes. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order.

**ITEM NO.**

**CASE**

6\*\*PAA

**Docket No. 20210182-WU** – Application for limited alternative rate increase in Highlands County by Country Walk Utilities, Inc.

**Critical Date(s):** 04/14/22 - 90 day deadline Pursuant to Rule 25-30.457(11), F.A.C.

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Passidomo

**Staff:** ENG: Knoblauch, Ramos

AFD: D. Buys, Mathis

ECO: Hudson, Sibley

GCL: Imig

**(Proposed Agency Action - Except Issue Nos. 3 and 4)**

**Issue 1:** Should the Commission approve Country Walk Utilities, Inc.'s application for a LARI?

**Recommendation:** Yes. Staff recommends a revenue increase of \$4,340 or 7.62 percent. Pursuant to Rule 25-30.457(7), F.A.C., the Utility is required to hold any revenue increase granted subject to refund. To ensure overearnings will not occur due to the implementation of the rate increase, staff will conduct an earnings review of the 12-month period following the implementation of the revenue increase. If overearnings occur, such overearnings, up to the amount held subject to refund, with interest, must be disposed of to the benefit of the customers. If staff determines that the Utility did not exceed the range of its last authorized return on equity, the revenue increase will no longer be held subject to refund.

**Issue 2:** What are the appropriate monthly service rates for Country Walk?

**Recommendation:** The existing service rates for Country Walk should be increased by 7.62 percent in accordance with Rule 25-30.457, F.A.C. The appropriate service rates are shown on Schedule No. 1 of staff's memorandum dated March 24, 2022. The Utility should file tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. In addition, the rates should not be implemented until staff has approved the proposed customer notice. The Utility should provide proof of the date notice was given no less than 10 days after the date of the notice.



ITEM NO.

CASE

6\*\*PAA

**Docket No. 20210182-WU** – Application for limited alternative rate increase in Highlands County by Country Walk Utilities, Inc.

(Continued from previous page)

**Issue 3:** What is the appropriate amount by which rates should be reduced four years after the published effective date to reflect the removal of the amortized rate case expense as required by Section 367.081(8), F.S.?

**Recommendation:** The rates should be reduced to remove rate case expenses grossed-up for RAFs and amortized over a four-year period. The decrease in rates should become effective immediately following the expiration of the rate case expense recovery period, pursuant to Section 367.081(8), F.S. Country Walk should be required to file revised tariffs and proposed customer notices setting forth the lower rates and the reason for the reductions no later than one month prior to the actual date of the required rate reductions. If the Utility files this reduction in conjunction with price index or pass-through rate adjustments, separate data should be filed for the price index and/or pass-through increase or decrease and the reductions in the rates due to the amortized rate case expenses.

**Issue 4:** Should the recommended rates be approved for Country Walk on a temporary basis, subject to refund, in the event of a protest filed by a party other than the Utility?

**Recommendation:** Yes. Pursuant to Rule 25-30.457(9), F.A.C., in the event of a protest of the Proposed Agency Action (PAA) Order by a substantially affected person other than Country Walk, the Utility should be authorized to implement the rates established in the LARI PAA Order on a temporary basis subject to refund upon filing a staff-assisted rate case (SARC) application within 21 days from the date the protest is filed. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The rates should be effective for service rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. In addition, the temporary rates should not be implemented until staff has approved the proposed notice, and the notice has been received by the customers. If the recommended rates are approved on a temporary basis, the incremental increase collected by the Utility will be subject to the refund provisions outlined in Rule 25-30.360, F.A.C. Pursuant to Rule 25-30.457(9), F.A.C., if Country Walk fails to file a SARC application within 21 days in the event there is a protest, the application for a LARI will be deemed withdrawn.

**ITEM NO.**

**CASE**

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6\*\*PAA

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**Docket No. 20210182-WU** – Application for limited alternative rate increase in Highlands County by Country Walk Utilities, Inc.

(Continued from previous page)

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

**Recommendation:** No. In the event of a protest, Country Walk may implement the rates established in the PAA Order on a temporary basis, subject to refund with interest, upon the Utility’s filing of a SARC application within 21 days of the date the protest is filed. If Country Walk fails to file a SARC within 21 days, the Utility’s petition for a LARI will be deemed withdrawn pursuant to Rule 25-30.457(9), F.A.C. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the PAA Order, a Consummating Order should be issued. The docket should remain open for staff’s verification that the revised tariff sheets which reflect the Commission-approved rates, and the customer notice, have been filed by Country Walk and approved by staff, and so that staff may conduct an earnings review of the Utility pursuant to Rule 25-30.457(8), F.A.C. Upon staff’s approval of the tariff and completion of the earnings review process as set forth in Rule 25-30.457(8)(a), F.A.C., this docket should be closed administratively.

**ITEM NO.**

**CASE**

7\*\*

**Docket No. 20220011-EI** – Petition to modify tariff to close existing lighting tariff to new business and introduce new LED lighting tariff by Florida Public Utilities Company.

**Critical Date(s):** 08/03/2022 - 8 Month Effective Date

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Administrative

**Staff:** ECO: Forrest

GCL: Brownless

**(Tariff Filing)**

**Issue 1:** Should the Commission approve FPUC's proposed modifications to the Rate Schedule LS lighting tariff?

**Recommendation:** Yes. The Commission should approve FPUC's proposed modifications to the Rate Schedule LS lighting tariff as shown in Attachment A of staff's memorandum dated March 24, 2022. The proposed new LED fixture options are cost based and expand the fixture options available to customers. Closing the current HPS and MH options for new lighting customers allows FPUC to recognize energy efficiencies and technological improvements in the lighting industry. The revised tariffs should be effective upon the issuance of a consummating order.

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

**Recommendation:** If a protest is filed within 21 days of the issuance of the order approving the proposed tariffs, the current tariffs should remain in effect pending resolution of the protest. If no timely protest is filed, the approved tariffs should go into effect, and the docket be closed, upon the issuance of a consummating order.

**ITEM NO.**

**CASE**

8

**Docket No. 20220037-EI** – Petition for approval of a new small commercial lighting tariff, by Tampa Electric Company.

**Critical Date(s):** 04/20/22 (60-Day Suspension Date)

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Administrative

**Staff:** ECO: Hampson

GCL: Stiller

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

**Issue 1:** Should the Commission suspend TECO's proposed Small Commercial lighting agreement and other revised lighting tariff sheets?

**Recommendation:** Yes. Staff recommends that TECO's proposed Small Commercial lighting agreement and other revised lighting tariff sheets be suspended to allow staff sufficient time to review the petition and gather all pertinent information in order to present the Commission with an informed recommendation on the tariff proposal.

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

**Recommendation:** No. This docket should remain open pending the Commission decision on the proposed tariffs.

**ITEM NO.**

**CASE**

9\*\*PAA

**Docket No. 20210183-GU** – Petition for approval of 2021 depreciation study, by Sebring Gas System, Inc.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** La Rosa

**Staff:** ECO: Smith II

AFD: D. Buys, Osorio

GCL: Sandy, J. Crawford

**Issue 1:** Should currently prescribed depreciation rates for Sebring Gas System be revised?

**Recommendation:** Yes. The review of Sebring’s plant depreciation information indicates a need for revising the Company’s currently prescribed depreciation rates.

**Issue 2:** What should be the implementation date for newly proposed depreciation rates?

**Recommendation:** Staff recommends January 1, 2022, for implementing newly proposed depreciation rates as shown on Attachments A, B, and C of staff’s memorandum dated March 24, 2022.

**Issue 3:** What are the appropriate depreciation parameters and resulting rates?

**Recommendation:** Staff recommends the Commission approve the lives, reserve percentages, net salvage percentages, and resulting remaining life depreciation rates for Sebring that are shown on Attachments A and C of staff’s memorandum dated March 24, 2022. As shown on Attachment B of staff’s memorandum dated March 24, 2022, the corresponding depreciation expense effect of staff’s rate recommendations is an increase of \$4,342 annually, or 1.8 percent, based on December 31, 2021 investments.

**Issue 4:** Should the current amortization of investment tax credits (ITCs) and flow back of excess deferred income taxes (EDITs) be revised to reflect the approved depreciation rates and amortization schedules?

**Recommendation:** Yes. The current amortization of ITCs should be revised to match the actual recovery periods for the related property. The Company should file detailed calculations of the revised ITC amortization at the same time it files its earnings surveillance report covering the period ended December 31, 2021, as specified in Rule 27-7.1352, F.A.C.

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

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

**ITEM NO.**

**CASE**

10

**Docket No. 20220026-WU** – Application for staff-assisted rate case in Marion County, and request for interim rate increase, by Leighton Estates Utilities, LLC.

**Critical Date(s):** 3/28/22 (60 day Decision On Interim Rates, Waived)

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Graham

**Staff:** ECO: Sibley, Hudson

AFD: D. Brown, Casper, T. Brown

GCL: Trierweiler, Garcia

**(Participation is at the discretion of the Commission.)**

**Issue 1:** Should an interim revenue increase be approved?

**Recommendation:** Yes. Leighton Estates should be authorized to collect interim revenues as indicated below:

	<b>Test Year Revenues</b>	<b>\$ Increase</b>	<b>Revenue Requirement</b>	<b>% Increase</b>
Water	\$27,605	\$3,076	\$30,681	11.14%

**Issue 2:** What are the appropriate interim water rates?

**Recommendation:** The interim rate increase of 11.29 percent should be applied as an across-the-board increase to the water service rates. The rates, as shown on Schedule No. 1 of staff’s memorandum dated March 24, 2022, should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), Florida Administrative Code (F.A.C.). The utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. In addition, the approved rates should not be implemented until the required security has been filed, staff has approved the proposed customer notice, and the notice has been received by the customers. The utility should provide proof of the date the notice was given within 10 days of the date of the notice.

**Issue 3:** What is the appropriate security to guarantee the interim increase?

**Recommendation:** The utility should be required to open an escrow account or secure a surety bond or letter of credit to guarantee any potential refund of revenues collected under interim conditions. If the security provided is an escrow account, the utility should deposit \$257 into the escrow account each month. Otherwise, the surety bond or letter of credit should be in the amount of \$2,054. Pursuant to Rule 25-30.360(6), F.A.C., the utility should provide a report by the 20th of each month indicating the monthly and total revenue collected subject to refund. Should a refund be required, the refund should be with interest and in accordance with Rule 25-30.360, F.A.C.

**ITEM NO.**

**CASE**

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10

**Docket No. 20220026-WU** – Application for staff-assisted rate case in Marion County, and request for interim rate increase, by Leighton Estates Utilities, LLC.

(Continued from previous page)

**Issue 4:** Should this docket be closed?

**Recommendation:** No. Staff recommends that this docket should remain open to address the merits of Leighton Estates' staff-assisted rate case.

**ITEM NO.**

**CASE**

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11\*\*PAA

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**Docket No. 20180047-EI** – Consideration of the tax impacts associated with Tax Cuts and Jobs Act of 2017 for Duke Energy Florida, LLC.

**Critical Date(s):** None

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

**Prehearing Officer:** Passidomo

**Staff:** AFD: Cicchetti, D. Buys

ENG: Ellis

GCL: DuVal

**Issue 1:** Should the Commission approve DEF's proposed treatment of the excess accumulated deferred income taxes (EDIT) associated with the cost of removal (COR) as satisfying the requirements set forth in Order No. PSC-2019-0053-FOF-EI?

**Recommendation:** Yes. Staff recommends that the Commission approve DEF's proposed treatment of the EDIT associated with the COR as satisfying the requirements set forth in Order No. PSC-2019-0053-FOF-EI.

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

**Recommendation:** Yes. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order.