

ACCEPTED FOR FILING BY
THE BOARD OF COUNTY
COMMISSIONERS AT ITS
MEETING ON

BCC Mtg. Date: October 3, 2017

Fax

FACSIMILE

Date: 8/31/2017

To: Clerk, Board of County Commissioners, Orange County

From: Office of Commission Clerk

Subject:

This fax was generated by the Florida Public Service Commission's Case Management System. Your e-mail address of record is unavailable; therefore, multiple attempts will be made to fax this document. Please do not report a fax failure. If all attempts fail, you will automatically be served a copy of the document via U.S. mail.

To receive electronic service of future documents, you must provide your e-mail address to the Office of Commission Clerk at clerk@psc.state.fl.us. If there is a request to update the information in the Master Commission Directory, such changes should be submitted by an official company representative on a Change of Information on Regulated Utility form, which is available from the Commission's website at www.floridapsc.com, under Utility Regulation.

Received by: Clerk of BCC September 1, 2017 CAS
c: County Mayor
Commissioner Districts 1, 2, 3 & 6 only
County Administrator
Utilities Department Director Ray Hanson

ACCEPTED FOR FILING BY
THE BOARD OF COUNTY
COMMISSIONERS AT ITS
MEETING ON

BCC Mtg. Date: October 3, 2017

FLORIDA PUBLIC SERVICE COMMISSION

COMMISSION CONFERENCE AGENDA

ADDENDUM*

CONFERENCE DATE AND TIME: Thursday, September 7, 2017, 9:30 a.m.

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

DATE ISSUED: August 31, 2017

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.

The Commission Conference has a live video broadcast the day of the conference, which is available from the FPSC website. Upon completion of the conference, the archived video will be available from the website by selecting *Conferences & Meeting Agendas*, then *Audio and Video Event Coverage*.

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.

If you have any questions, contact the Office of Commission Clerk at 850-413-6770 or Clerk@psc.state.fl.us.

* Added Item 2A.

Table of Contents
Commission Conference Agenda
September 7, 2017

1**	Consent Agenda	1
2	Docket No. 20170039-TP – Request for submission of proposals for relay service, beginning in March 2018, for the deaf, hard of hearing, deaf/blind, or speech impaired, and other implementation matters in compliance with the Florida Telecommunications Access System Act of 1991.	2
2A**	Docket No. 20140029-TP – Request for submission of proposals for relay service, beginning in June 2015, for the deaf, hard of hearing, deaf/blind, or speech impaired, and other implementation matters in compliance with the Florida Telecommunications Access System Act of 1991.	3
3	Docket No. 20160075-WU – Joint application for authority to transfer assets and Certificate No. 623-W in Orange and Lake Counties from Oak Springs, LLC to Oak Springs MHC, LLC.	4
4**PAA	Docket No. 20170149-EI – Petition to approve modifications to neighborhood weatherization and energy education, awareness and agency outreach programs, by Tampa Electric Company.	5
5**PAA	Docket No. 20160193-WU – Application for approval of transfer of certain water facilities and Certificate No. 619-W from McLeod Gardens Water Company to McLeod Gardens Utilities, LLC, in Polk County.	6
6**	Docket No. 20170171-WS – Resolution of the Board of County Commissioners of Leon County declaring Leon County subject to the provisions of Section 367, Florida Statutes.	8
7**PAA	Docket No. 20170018-SU – Application to transfer wastewater system and Certificate No. 137-S in Brevard County from Colony Park Development Utilities, LLC to Merritt Island Utility Company, Inc.	9
8**PAA	Docket No. 20160165-SU – Application for staff-assisted rate case in Gulf County by ESAD Enterprises, Inc. d/b/a Beaches Sewer Systems, Inc.	11
9**	Docket No. 20170074-EI – Petition for approval of 2017 revisions to underground residential distribution tariffs, by Gulf Power Company.	17
10**PAA	Docket No. 20170097-EI – Petition for approval of a new depreciation class and rate for energy storage equipment, by Florida Power & Light Company.	18
11**	Docket No. 20170152-SU – Request for approval of a late payment charge in Volusia County, by North Peninsula Utilities Corporation.	19

Agenda for
Commission Conference
September 7, 2017

ITEM NO.

CASE

1**

Consent Agenda

PAA

A) Application for Certificate of Authority to Provide Telecommunications Service.

DOCKET NO.

COMPANY NAME

20170112-TX

Uniti Fiber LLC

PAA

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

DOCKET NO.

COMPANY NAME

20170159-TC

Network Communications International Corp.
d/b/a NCIC Inmate Communications

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

Agenda for
Commission Conference
September 7, 2017

ITEM NO.

CASE

2 **Docket No. 20170039-TP** – Request for submission of proposals for relay service, beginning in March 2018, for the deaf, hard of hearing, deaf/blind, or speech impaired, and other implementation matters in compliance with the Florida Telecommunications Access System Act of 1991.

Critical Date(s): Current contract with Sprint expires on February 28, 2018.

Commissioners Assigned: All Commissioners

Prehearing Officer: Brisé

Staff: IDM: Williams

GCL: Page

(Participation is Limited to Commissioners and Staff)

Issue 1: Who should be awarded the Florida relay service provider contract?

Recommendation: Based upon the RFP evaluation process, staff recommends that the Commission select Sprint as the relay service provider and direct the Commission's Executive Director or designee to: (1) issue the attached letter of intent to Sprint and Hamilton Relay (Attachment A of staff's memorandum dated August 24, 2017); (2) provide notice on the Florida Department of Management Services Vendor Bid System of the Commission's decision to award a three-year contract to Sprint to provide the statewide telecommunications relay service in Florida; and (3) finalize and sign a contract with Sprint to provide the Florida Relay Service.

Issue 2: Should this docket be closed?

Recommendation: No. This docket should remain open for the life of the contract.

Agenda for
Commission Conference
September 7, 2017

ITEM NO.

CASE

2A**

Docket No. 20140029-TP – Request for submission of proposals for relay service, beginning in June 2015, for the deaf, hard of hearing, deaf/blind, or speech impaired, and other implementation matters in compliance with the Florida Telecommunications Access System Act of 1991.

Critical Date(s): October 1, 2017 - Effective date of Florida Telecommunications Relay, Inc., budget. Notification of any change in the Telecommunications Access System surcharge must be made to carriers prior to October 1, 2017 under staff's recommendation.

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: IDM: Williams, Fogleman

GCL: Page

Issue 1: Should the Commission dismiss Mr. Littlewood's petition for formal proceedings?

Recommendation: Yes. The Commission should dismiss Mr. Littlewood's petition for formal proceedings with prejudice for failure to meet the pleading requirements outlined in Rule 28-106.201, F.A.C., and for failure to state a cause of action over which the Commission has jurisdiction. PAA Order PSC-2017-0292-PAA-TP should be made final and effective and companies should be directed to begin charging the \$0.10 surcharge by October 1, 2017.

Issue 2: Should this docket be closed?

Recommendation: No. The docket should remain open to address all matters related to relay service throughout the life of the current relay contract.

Agenda for
Commission Conference
September 7, 2017

ITEM NO.

CASE

3 **Docket No. 20160075-WU** – Joint application for authority to transfer assets and Certificate No. 623-W in Orange and Lake Counties from Oak Springs, LLC to Oak Springs MHC, LLC.

Critical Date(s): None

Commissioners Assigned: All Commissioners
Prehearing Officer: Brisé

Staff: AFD: Andrews, Norris
 GCL: Mapp

(Participation at the Commission's Discretion)

Issue 1: Should the Commission reconsider, on its own motion, its vote on Issue 2, regarding calculation of net book value?

Recommendation: Yes, the Commission, on its own motion, should reconsider a limited portion of its vote on Issue 2 with respect to accumulated depreciation of meters and meter installations and the resulting net book value. If the Commission approves staff's recommendation, staff will incorporate this correction into the final order.

Issue 2: Should this docket be closed?

Recommendation: Once all requirements of the Commission's July 13, 2017, vote have been met, this docket may be closed administratively.

Agenda for
Commission Conference
September 7, 2017

ITEM NO.

CASE

4**PAA

Docket No. 20170149-EI – Petition to approve modifications to neighborhood weatherization and energy education, awareness and agency outreach programs, by Tampa Electric Company.

Critical Date(s): None

Commissioners Assigned: All Commissioners
Prehearing Officer: Administrative

Staff: ENG: Mtenga, Ellis
ECO: Morgan
GCL: Cuello

Issue 1: Should the Commission approve TECO's petition to modify the Utility's Neighborhood Weatherization and Energy Education, Awareness and Agency Outreach DSM programs?

Recommendation: Yes. The change from CFLs to LEDs reflects changing technologies and allows TECO's programs to continue to advance the policy objectives of FEECA. The programs are still directly monitorable, yield measurable results, and continue to be reasonably cost-effective for education programs. The program participation standards were submitted concurrently with the program descriptions. Staff has reviewed these standards and recommends that they are sufficient. Therefore, staff recommends that costs associated with the modified programs be eligible for cost recovery through TECO's Energy Conservation Cost Recovery factor.

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 PAA Order, a Consummating Order should be issued and the docket should be closed.

Agenda for
Commission Conference
September 7, 2017

ITEM NO.

CASE

5**PAA

Docket No. 20160193-WU – Application for approval of transfer of certain water facilities and Certificate No. 619-W from McLeod Gardens Water Company to McLeod Gardens Utilities, LLC, in Polk County.

Critical Date(s): None

Commissioners Assigned: All Commissioners
Prehearing Officer: Brisé

Staff: ENG: Watts
AFD: Andrews, Norris
ECO: Bruce
GCL: Taylor

(Proposed Agency Action for Issues 2, 3, 4, and 5)

Issue 1: Should the transfer of Certificate No. 619-W in Polk County from McLeod Gardens Water Company to McLeod Gardens Utilities, LLC be approved?

Recommendation: Yes. The transfer of the water system and Certificate No. 619-W is in the public interest and should be approved effective the date of the Commission vote. The resultant order should serve as the Buyer's certificate and should be retained by the Buyer. The existing rates and charges should remain in effect until a change is authorized by the Commission in a subsequent proceeding. The Buyer should be responsible for filing the 2017 Annual Report, and all future annual reports and Regulatory Assessment Fees (RAFs).

Issue 2: What is the appropriate net book value for the McLeod Gardens water system for transfer purposes?

Recommendation: The net book value of the water system for transfer purposes is \$43,566, as of September 1, 2016. Within 90 days of the date of the final order, McLeod Gardens Utilities, LLC should be required to notify the Commission in writing, that it has adjusted its books in accordance with the Commission's decision. The adjustments should be reflected in McLeod Gardens Utilities, LLC's 2017 Annual Report when filed.

Issue 3: Should an acquisition adjustment be recognized for ratemaking purposes?

Recommendation: Yes. Pursuant to Rule 25-30.0371(3), F.A.C., a negative acquisition adjustment of \$14,553 should be recognized for ratemaking purposes. Beginning with the date of the issuance of the order approving the transfer, 50 percent of the negative acquisition, which is \$7,277 should be amortized over a 7-year period and the remaining 50 percent should be amortized over the remaining 13-year life of the assets in accordance with Rule 25-30.0371(4)(b)2., F.A.C.

Agenda for
Commission Conference
September 7, 2017

ITEM NO.

CASE

5**PAA

Docket No. 20160193-WU – Application for approval of transfer of certain water facilities and Certificate No. 619-W from McLeod Gardens Water Company to McLeod Gardens Utilities, LLC, in Polk County.

(Continued from previous page)

Issue 4: Should McLeod Gardens be authorized to collect Non-Sufficient Funds Charges (NSF)?

Recommendation: Yes. McLeod Gardens should be authorized to collect NSF charges. McLeod Gardens should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved NSF charges. The approved charges should be effective for service rendered on or after the stamped approval date on the tariff sheets provided customers have received notice, pursuant to Rule 25-30.475, F.A.C. McLeod Gardens should provide proof of noticing within 10 days of rendering its approved notice.

Issue 5: Should McLeod Gardens' requested meter tampering charge be approved?

Recommendation: Yes. McLeod Gardens' request to implement a \$50 meter tampering charge should be approved. McLeod Gardens should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved meter tampering charges. The approved charge should be effective for service rendered on or after the stamped approval date on the tariff sheets provided customers have received notice, pursuant to Rule 25-30.475, F.A.C. McLeod Gardens should provide proof of noticing within 10 days of rendering its approved notice.

Issue 6: Should this docket be closed?

Recommendation: The docket should remain open pending staff's verification that the revised tariff sheets and customer notice have been filed by McLeod Gardens Utilities, LLC, and approved by staff. If no timely protest is filed to the proposed agency action, a consummating order should be issued and, once staff verifies that the notice of the charge has been given to customers, the docket should be administratively closed.

Agenda for
Commission Conference
September 7, 2017

ITEM NO.

CASE

6**

Docket No. 20170171-WS – Resolution of the Board of County Commissioners of Leon County declaring Leon County subject to the provisions of Section 367, Florida Statutes.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ENG: Watts, King

GCL: Janjic

Issue 1: Should the Commission acknowledge Resolution No. R17-12 by the Board of County Commissioners of Leon County?

Recommendation: Yes. The Commission should acknowledge Resolution No. R17-12 by the County Commissioners of Leon County, effective June 20, 2017. All non-exempt, privately-owned water and wastewater utilities in Leon County should be directed to comply with the provisions of Chapter 367, F.S.

Issue 2: Should this docket be closed?

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

Agenda for
Commission Conference
September 7, 2017

ITEM NO.

CASE

7**PAA

Docket No. 20170018-SU – Application to transfer wastewater system and Certificate No. 137-S in Brevard County from Colony Park Development Utilities, LLC to Merritt Island Utility Company, Inc.

Critical Date(s): None

Commissioners Assigned: All Commissioners
Prehearing Officer: Brisé

Staff: ENG: Watts
AFD: Mick, Norris
ECO: Friedrich
GCL: Mapp

(Proposed Agency Action for Issues 2 and 3)

Issue 1: Should the transfer of Certificate No. 137-S in Brevard County from Colony Park Development Utilities, LLC to Merritt Island Utility Company, Inc. be approved?

Recommendation: Yes. The transfer of the wastewater system and Certificate No. 137-S is in the public interest and should be approved effective the date of the Commission vote. The resultant order should serve as the Buyer's certificate and should be retained by the Buyer. The existing rates and charges should remain in effect until a change is authorized by the Commission in a subsequent proceeding. The tariffs reflecting the transfer should be effective for services rendered or connections made on or after the stamped approval date on the tariffs, pursuant to Rule 25-30.475, Florida Administrative Code (F.A.C.). CPDU paid all Regulatory Assessment Fees (RAFs) through March 2016, and CWS paid RAFs through December 31, 2016. The Buyer should be responsible for paying RAFs after December 31, 2016, and all future years. The Buyer has filed the 2016 Annual Report, and should be responsible for filing all future annual reports.

Issue 2: What is the appropriate net book value for the Merritt Island wastewater system for transfer purposes?

Recommendation: The net book value of the wastewater system for transfer purposes is \$43,969 as of December 22, 2016. Within 90 days of the date of the final order, MIU should be required to notify the Commission in writing, that it has adjusted its books in accordance with the Commission's decision. The adjustments should be reflected in MIU's 2017 Annual Report when filed.

Issue 3: Should an acquisition adjustment be recognized for ratemaking purposes?

Recommendation: Yes. Pursuant to Rule 25-30.0371(3), F.A.C., a negative acquisition adjustment of \$175 should be recognized for ratemaking purposes. Beginning with the date of the issuance of the order approving the transfer, the negative acquisition adjustment should be amortized over a seven-year period, in accordance with Rule 25-30.0371(4)(b)1, F.A.C.

Agenda for
Commission Conference
September 7, 2017

ITEM NO.

CASE

7**PAA

Docket No. 20170018-SU – Application to transfer wastewater system and Certificate No. 137-S in Brevard County from Colony Park Development Utilities, LLC to Merritt Island Utility Company, Inc.

(Continued from previous page)

Issue 4: Should this docket be closed?

Recommendation: If no protest to the proposed agency action is filed by a substantially affected person within 21 days of the date of the issuance of the order, a consummating order should be issued and the docket should be closed administratively upon Commission staff's verification that the revised tariff sheets have been filed and the Buyer has notified the Commission in writing that it has adjusted its books in accordance with the Commission's decision.

Agenda for
Commission Conference
September 7, 2017

ITEM NO.

CASE

8**PAA

Docket No. 20160165-SU – Application for staff-assisted rate case in Gulf County by ESAD Enterprises, Inc. d/b/a Beaches Sewer Systems, Inc.

Critical Date(s): 12/09/2017 (15-Month Statutory Deadline (SARC))

Commissioners Assigned: All Commissioners

Prehearing Officer: Polmann

Staff: ENG: Ellis

AFD: Brown

ECO: Friedrich

GCL: Murphy

(Proposed Agency Action - Except Issue Nos. 17, 18, and 19)

Issue 1: Is the quality of service provided by Beaches Sewer Systems, Inc. satisfactory?

Recommendation: Yes, the quality of service provided by Beaches Sewer Systems, Inc. should be considered satisfactory. The Utility's wastewater treatment plant (WWTP) and related facilities are in substantial compliance with DEP's requirements and is working towards full compliance.

Issue 2: What are the used and useful percentages (U&U) of the Beaches Sewer Systems, Inc. wastewater treatment plant and wastewater collection system?

Recommendation: Beaches' WWTP should be considered 64.3 percent U&U. The wastewater collection system should be considered 90.5 percent U&U. There appears to be no excessive infiltration and inflow (I&I), therefore staff is not recommending an adjustment be made to operating expenses for chemicals and purchased power.

Issue 3: What is the appropriate average test year rate base for Beaches Sewer Systems, Inc.?

Recommendation: The appropriate average test year rate base for Beaches is \$94,842.

Issue 4: What is the appropriate return on equity and overall rate of return for Beaches Sewer Systems, Inc.?

Recommendation: The appropriate return on equity (ROE) is 11.16 percent with a range of 10.16 percent to 12.16 percent. The appropriate overall rate of return is 5.35 percent.

Issue 5: What are the appropriate test year revenues for Beaches Sewer Systems, Inc.?

Recommendation: The appropriate test year revenues for Beaches are \$131,256.

Issue 6: What is the appropriate amount of operating expense for Beaches Sewer Systems, Inc.?

Recommendation: The appropriate amount of operating expense for Beaches is \$166,348.

Agenda for
Commission Conference
September 7, 2017

ITEM NO.

CASE

8**PAA

Docket No. 20160165-SU – Application for staff-assisted rate case in Gulf County by ESAD Enterprises, Inc. d/b/a Beaches Sewer Systems, Inc.

(Continued from previous page)

Issue 7: Should the Commission utilize the operating ratio methodology as an alternative method of calculating the revenue requirement for Beaches Sewer Systems, Inc. and, if so, what is the appropriate margin?

Recommendation: Yes. The Commission should utilize the operating ratio methodology for calculating the revenue requirement for Beaches. The margin should be 7.25 percent of O&M expense.

Issue 8: What is the appropriate revenue requirement?

Recommendation: The appropriate revenue requirement is \$176,348 resulting in an annual increase of \$45,092 (34.35 percent).

Issue 9: What is the appropriate rate structure and rate for Beaches Sewer Systems, Inc.?

Recommendation: Staff recommends a monthly flat rate for residential and general wastewater service of \$43.03 per month as shown on Schedule No. 4 of staff's memorandum dated August 24, 2017. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets provided customers have received notice, pursuant to Rule 25-30.475, F.A.C. The Utility should provide proof of noticing within 10 days of rendering its approved notice.

Issue 10: What are the appropriate miscellaneous service charges for Beaches Sewer Systems, Inc.?

Recommendation: The miscellaneous service charges identified in Table 10-4 of staff's memorandum dated August 24, 2017, are appropriate and should be approved. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved miscellaneous service charges. The approved charges should be effective for service rendered on or after the stamped approval date on the tariff sheets provided customers have received notice, pursuant to Rule 25-30.475, F.A.C. The Utility should provide proof of noticing within 10 days of rendering its approved notice.

Issue 11: Should Beaches Sewer Systems, Inc. be authorized to collect Non-Sufficient Funds Charges (NSF)?

Recommendation: Yes. Beaches should be authorized to collect NSF charges. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved NSF charges. The approved charges should be effective for service rendered on or after the stamped approval date on the tariff sheets provided customers have received notice, pursuant to Rule 25-30.475, F.A.C. The Utility should provide proof of noticing within 10 days of rendering its approved notice.

Agenda for
Commission Conference
September 7, 2017

ITEM NO.

CASE

8**PAA

Docket No. 20160165-SU – Application for staff-assisted rate case in Gulf County by ESAD Enterprises, Inc. d/b/a Beaches Sewer Systems, Inc.

(Continued from previous page)

Issue 12: What is the appropriate late payment charge to be implemented by Beaches Sewer Systems, Inc.?

Recommendation: The appropriate late payment charge to be implemented by Beaches should be \$5.43. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved late payment charge. The approved charge should be effective for service rendered on or after the stamped approval date on the tariff sheets provided customers have received notice, pursuant to Rule 25-30.475, F.A.C. The Utility should provide proof of noticing within 10 days of rendering its approved notice.

Issue 13: Should Beaches Sewer System's, Inc. existing service availability charges be revised, and if so, what are the appropriate charges?

Recommendation: Yes. Beaches' existing wastewater service availability charges should be revised in part. A main extension charge of \$375 per ERC should be approved. The recommended service availability charge should be based on an estimated 240 gallons per day (gpd) of treated wastewater. The Utility's existing customer connection and plant capacity charges should be continued. The Utility should file revised tariff sheets and a proposed customer notice. Beaches should provide notice to property owners who have requested service in the 12 months prior to the month the SARC application was filed. The approved charges should be effective for connections made on or after the stamped approval date on the tariff sheets. The Utility should provide proof of noticing within 10 days of rendering its approved notice.

Issue 14: Should Beaches Sewer System's, Inc. guaranteed revenue charge be revised?

Recommendation: Yes. Beaches' guaranteed revenue charge should be revised. Staff's recommended guaranteed revenue charge is \$11.79 per ERC. The Utility should file revised tariff sheets and a proposed customer notice. Beaches should provide notice to property owners who have requested service beginning 12 months prior to the month the application was filed to the present, as well as all property owners currently paying the guaranteed revenue charge. The approved charge should be effective for connections made on or after the stamped approval date on the tariff sheets. The Utility should provide proof of noticing within 10 days of rendering its approved notice.

Issue 15: Should the Utility be required to discontinue the collection of Allowance for Funds Prudently Invested (AFPI) for the collection system?

Recommendation: Yes. Staff recommends that the Utility should be required to discontinue the collection of AFPI charges for the collection system and the tariff for AFPI should be canceled.

Agenda for
Commission Conference
September 7, 2017

ITEM NO.

CASE

8**PAA

Docket No. 20160165-SU – Application for staff-assisted rate case in Gulf County by ESAD Enterprises, Inc. d/b/a Beaches Sewer Systems, Inc.

(Continued from previous page)

Issue 16: Should the Commission approve a Phase II increase for pro forma items for Beaches Sewer Systems, Inc.?

Recommendation: No. Staff believes that a final decision on the amount of the Phase II revenue requirement and rates should be made after the Utility has completed the Phase II pro forma projects and the costs have been evaluated. The Utility should complete the pro forma items within 12 months of the issuance of the consummating order. After this period, the Utility should be required to submit within 60 days a copy of the final invoices and cancelled checks for all Phase II pro forma plant and O&M items to staff. If the Utility encounters any unforeseen events that will impede the completion of the pro forma items, the Utility should immediately notify the Commission in writing. Once the required information has been submitted by the Utility and evaluated by staff, a recommendation regarding the appropriate amount of the Phase II revenue requirement and rates should be considered by the Commission.

Issue 17: 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?

Recommendation: The wastewater rates should be reduced as shown on Schedule No. 4 of staff's memorandum dated August 24, 2017, to remove rate case expense grossed-up for RAFs and amortized over a four-year period. The decrease in rates should become effective immediately following the expiration of the four-year rate case expense recovery period. The Utility should be required to file revised tariffs and a proposed customer notice setting forth the lower rates and the reason for the reduction no later than one month prior to the actual date of the required rate reduction. If Beaches files this reduction in conjunction with a price index or pass-through rate adjustment, separate data should be filed for the price index and/or pass-through increase or decrease and the reduction in the rates due to the amortized rate case expense.

Agenda for
Commission Conference
September 7, 2017

ITEM NO.

CASE

8**PAA

Docket No. 20160165-SU – Application for staff-assisted rate case in Gulf County by ESAD Enterprises, Inc. d/b/a Beaches Sewer Systems, Inc.

(Continued from previous page)

Issue 18: Should the recommended rates be approved for Beaches Sewer Systems, Inc. on a temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the Utility?

Recommendation: Yes. Pursuant to Section 367.0814(7), F.S., the recommended rates should be approved for the Utility on a temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the Utility. Beaches should file revised 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 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. Prior to implementation of any temporary rates, the Utility should provide appropriate security. If the recommended rates are approved on a temporary basis, the rates collected by the Utility should be subject to the refund provisions discussed in the analysis portion of staff's memorandum dated August 24, 2017. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., the Utility should file reports with the Commission's Office of Commission Clerk no later than the 20th of each month indicating the monthly and total amount of money subject to refund at the end of the preceding month. The report filed should also indicate the status of the security being used to guarantee repayment of any potential refund.

Issue 19: Should the Utility be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission's decision?

Recommendation: Yes. The Utility should be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission's decision. Beaches should submit a letter within 90 days of the final order in this docket, confirming that the adjustments to all the applicable NARUC USOA primary accounts have been made to the Utility's books and records. In the event the Utility needs additional time to complete the adjustments, notice should be provided within seven days prior to deadline. Upon providing good cause, staff should be given administrative authority to grant an extension of up to 60 days.

Agenda for
Commission Conference
September 7, 2017

ITEM NO.

CASE

8**PAA

Docket No. 20160165-SU – Application for staff-assisted rate case in Gulf County by ESAD Enterprises, Inc. d/b/a Beaches Sewer Systems, Inc.

(Continued from previous page)

Issue 20: Should this docket be closed?

Recommendation: No. 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, a consummating order should be issued. The docket should remain open (1) for staff's verification that the revised tariff sheets and customer notice have been filed by the Utility and approved by staff, (2) for the Utility to provide proof that the adjustments for all applicable NARUC USOC primary accounts have been made, and (3) for the Commission to address Phase II of this docket.

Agenda for
Commission Conference
September 7, 2017

ITEM NO.

CASE

9**

Docket No. 20170074-EI – Petition for approval of 2017 revisions to underground residential distribution tariffs, by Gulf Power Company.

Critical Date(s): 11/30/17 (8-Month Effective Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Ollila

GCL: Janjic

Issue 1: Should the Commission approve Gulf's proposed URD tariffs and associated charges?

Recommendation: Yes, the Commission should approve Gulf's proposed URD tariffs and associated charges, as shown in Attachment A of staff's memorandum dated August 24, 2017, effective September 7, 2017.

Issue 2: Should this docket be closed?

Recommendation: If Issue 1 is approved and a protest is filed within 21 days of the issuance of the order, the tariffs should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order.

Agenda for
Commission Conference
September 7, 2017

ITEM NO.

CASE

10**PAA

Docket No. 20170097-EI – Petition for approval of a new depreciation class and rate for energy storage equipment, by Florida Power & Light Company.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Brisé

Staff: ECO: Higgins

GCL: Brownless

Issue 1: Should the Commission establish an annual depreciation rate applicable to energy storage equipment for FPL?

Recommendation: Yes. Staff recommends that an annual depreciation rate of 10 percent applicable to FPL's energy storage equipment be approved.

Issue 2: If the Commission approves staff's recommendation in Issue 1, should any transfers of plant investments and associated book reserves be authorized as part of this docket?

Recommendation: Yes. Staff recommends the Commission authorize book transfers from Account 362 - Station Equipment to Account 348 - Energy Storage Equipment – Production and Account 363 - Energy Storage Equipment – Distribution in the aggregate amounts detailed in Tables 2-2 and 2-3 of staff's memorandum dated August 24, 2017.

Issue 3: If a new depreciation rate for energy storage equipment is authorized in Issue 1, what should be the effective date?

Recommendation: Staff recommends that any newly-authorized depreciation rate for energy storage equipment applicable to Account 348 - Energy Storage Equipment – Production, Account 351 - Energy Storage Equipment – Transmission, and Account 363 - Energy Storage Equipment – Distribution, become effective upon the issuance of a final Commission Order in this docket.

Issue 4: Should this docket be closed?

Recommendation: 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.

Agenda for
Commission Conference
September 7, 2017

ITEM NO.

CASE

11**

Docket No. 20170152-SU – Request for approval of a late payment charge in Volusia County, by North Peninsula Utilities Corporation.

Critical Date(s): 9/8/17 (60-Day Suspension)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Sibley

GCL: Taylor

Issue 1: Should NPUC's request to implement a late payment charge be approved?

Recommendation: Yes. NPUC's request to implement a \$6.77 late payment charge should be approved. The utility should file the revised tariff sheets and a proposed customer notice to reflect the Commission-approved late payment charge. The approved charge should be effective for services rendered on or after the stamped approval date on the tariff sheet provided customers have received notice, pursuant to Rule 25-30.475(1), Florida Administrative Code (F.A.C.). The utility should provide proof of noticing within 10 days of rendering the approved notice.

Issue 2: Should this docket be closed?

Recommendation: The docket should remain open pending staff's verification that the revised tariff sheets and customer notice have been filed by the utility and approved by staff. If a protest is filed within 21 days of the issuance date of the Order, the tariff sheets should remain in effect with the charges held subject to refund pending resolution of the protest. If no timely protest is filed, a consummating order should be issued and, once staff verifies that the notice of the charges has been given to customers, the docket should be administratively closed.