

# FLORIDA PUBLIC SERVICE COMMISSION

## COMMISSION CONFERENCE AGENDA

**CONFERENCE DATE AND TIME:** Tuesday, January 9, 2018, 1:00 p.m.

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

**DATE ISSUED:** December 27, 2017

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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.

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](mailto:Clerk@psc.state.fl.us).

Table of Contents  
Commission Conference Agenda  
January 9, 2018

1**	<b>Consent Agenda</b> .....	1
2**	<b>Docket No. 20170148-EI</b> – Petition for determination under Rule 25-6.115, F.A.C., and approval of associated revised tariff sheet 6.300, by Florida Power & Light Company. ....	4
3**	<b>Docket No. 20170216-EI</b> – Petition for approval of curtailable service tariff modifications, by Florida Power & Light Company. ....	5
4**PAA	<b>Docket No. 20130265-WU</b> – Application for staff-assisted rate case in Charlotte County by Little Gasparilla Water Utility, Inc. ....	6

**ITEM NO.**

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**CASE**

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1\*\*

**Consent Agenda**

PAA

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

DOCKET NO.

COMPANY NAME

20170242-TC

CenturyLink Communications, LLC

PAA

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

DOCKET NO.

COMPANY NAME

20170234-TX

TIME CLOCK SOLUTIONS, LLC

ITEM NO.

CASE

1\*\*

Consent Agenda

(Continued from previous page)

- C) Docket No. 20170251-GU – Application for authorization to issue common stock, preferred stock and secured and/or unsecured debt, and to enter into agreements for interest rate swap products, equity products and other financial derivatives, and to exceed limitation placed on short-term borrowings in 2018, by Chesapeake Utilities Corporation.

Chesapeake Utilities Corporation (Chesapeake or Utility) seeks authority to issue during calendar year 2018: up to 8,215,000 shares of Chesapeake common stock, up to 2,000,000 shares of Chesapeake preferred stock, up to \$550 million in secured and/or unsecured debt; to enter into agreements up to \$200 million in interest rate swap products, equity products and other financial derivatives; and to issue short-term obligations in an amount not to exceed \$275 million.

Chesapeake allocates funds to the Chesapeake Utilities Corporation - Florida Division, Florida Public Utilities Company (FPUC), FPUC - Indiantown Division, and FPUC - Fort Meade Division on an as-needed basis. Chesapeake acknowledges that in no event will such allocations to the Florida Divisions exceed 75 percent of the proposed equity securities (common stock and preferred stock), long-term debt, short-term debt, interest rate swap products, equity products, and financial derivatives issued by Chesapeake.

Pursuant to Section 366.04, Florida Statutes (F.S.), the Commission shall have jurisdiction to regulate and supervise each public utility in the issuance and sale of its securities, except a security which is a note or draft maturing not more than one year after the date of such issuance and sale and aggregating not more than five percent of the par value of the other securities of the public utility then outstanding.

For 2018, five percent of Chesapeake's aggregate outstanding balance of other securities (i.e., common stock equity at par value and long term debt) is \$11,107,778. Chesapeake requests approval to issue short-term debt in excess of five percent of the Utility's aggregate balance of other securities. Staff believes the Utility's request conforms to Section 366.04, F.S., and the dollar amounts proposed in the application are reasonable.

ITEM NO.

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CASE

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1\*\*

Consent Agenda

(Continued from previous page)

Staff has reviewed the Utility's projected capital expenditures. The amount requested by Chesapeake exceeds its expected capital expenditures. The additional amount requested exceeding the projected capital expenditures allows for financial flexibility for the purposes enumerated in the Utility's petition, as well as, unexpected events such as hurricanes, financial market disruptions, and other unforeseen circumstances. Staff believes the requested amounts are appropriate. Staff recommends the Utility's petition to issue securities be approved.

**Recommendation:** The Commission should approve the actions requested in the dockets referenced above and close Docket Nos. 20170242-TC and 20170234-TX. For monitoring purposes, Docket No. 20170251-GU should remain open until April 30, 2019, to allow the Utility time to file the required Consummation Report.

**ITEM NO.**

**CASE**

2\*\*

**Docket No. 20170148-EI** – Petition for determination under Rule 25-6.115, F.A.C., and approval of associated revised tariff sheet 6.300, by Florida Power & Light Company.

**Critical Date(s):** 02/23/18 (8-Month Effective Date)

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Administrative

**Staff:** ECO: Draper, Guffey

ENG: P. Buys, Graves

GCL: Brownless

**Issue 1:** Should the Commission approve FPL's petition for determination under Rule 25-6.115, F.A.C., and approval of associated revised tariff Sheet No. 6.300?

**Recommendation:** Yes. The Commission should approve FPL's petition for determination under Rule 25-6.115, F.A.C., and approval of associated revised tariff Sheet No. 6.300

**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 tariff should not go into effect pending resolution of the protest. If no timely protest is filed, this docket should be closed and the tariff should become effective upon the issuance of a consummating order.

**ITEM NO.**

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**CASE**

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3\*\*

**Docket No. 20170216-EI** – Petition for approval of curtailable service tariff modifications, by Florida Power & Light Company.

**Critical Date(s):** 60-Day Suspension Date: 03/01/2018

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Administrative

**Staff:** ECO: Morgan, Guffey, Doherty

GCL: Brownless

**Issue 1:** Should the Commission approve FPL's petition for curtailable service tariff modifications?

**Recommendation:** Yes. The Commission should approve FPL's proposed curtailable service tariff modifications. Staff believes that this proposal provides load control benefits to the company and ratepayers. C/I customers also benefit from higher credits. Closure of the CS tariffs is acceptable due to lack of interest.

**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 not go into effect, pending resolution of the protest. If no timely protest is filed, this docket should be closed and the tariff shall become effective upon the issuance of a consummating order.

**ITEM NO.**

**CASE**

4\*\*PAA

**Docket No. 20130265-WU** – Application for staff-assisted rate case in Charlotte County by Little Gasparilla Water Utility, Inc.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Polmann

**Staff:** ECO: Bruce, Hudson

AFD: Golden, Galloway

ENG: P. Buys

GCL: Murphy

**(Proposed Agency Action Except Issues 3 and 4 )**

**Issue 1:** What is the appropriate Phase II revenue requirement, return on equity, and overall rate for Little Gasparilla?

**Recommendation:** The appropriate revenue requirement is \$412,863, resulting in an annual increase of \$66,599 for water (19.23 percent). 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 6.55 percent.

**Issue 2:** What are the appropriate water rates for Phase II?

**Recommendation:** The Phase II rate increase of 19.29 percent for water should be applied to the existing rates as shown on Schedule No. 4 of staff's memorandum dated December 27, 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 on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved rates should not be implemented until staff has approved the proposed customer notice and the notice has been received by the customers. The utility should provide proof of the date notice was given within 10 days of the date of the notice.



ITEM NO.

CASE

4\*\*PAA

**Docket No. 20130265-WU** – Application for staff-assisted rate case in Charlotte County by Little Gasparilla Water Utility, Inc.

(Continued from previous page)

**Issue 3:** What is the appropriate amount by which rates should be reduced four years after the established effective date to reflect the removal of the amortized rate case expense as required by Section 367.0816?

**Recommendation:** The water rates should be reduced as shown on Schedule No. 4 of staff's memorandum dated December 27, 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 Little Gasparilla 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. (Final Agency Action)

**Issue 4:** Should the recommended rates be approved for the utility 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 Section 367.0814(7), F.S., the recommended rates should be approved for the utility on a temporary basis, subject to refund, in the event of a protest filed by a party other than the utility. 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 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 December 27, 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 Clerk's office no later than the 20th of every 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. (Final Agency Action)

**ITEM NO.**

**CASE**

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4\*\*PAA

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**Docket No. 20130265-WU** – Application for staff-assisted rate case in Charlotte County by Little Gasparilla Water Utility, Inc.

(Continued from previous page)

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

**Recommendation:** No. If no person whose substantial interests are affected by the proposed agency action files a protest within twenty-one days of the issuance of the order, a consummating order will be issued. The docket should remain open for staff's verification that the revised tariff sheets and the customer notice have been filed by the utility and approved by staff. When the tariff and notice actions are complete, this docket may be closed administratively.

Agenda for  
Commission Conference  
January 9, 2018

**ITEM NO.**

**CASE**

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Notice:

Due to technical difficulties, there is no audio for this Internal Affairs meeting. The transcript will be available soon on the Commission's website at [www.floridapsc.com/Conferences/InternalAffairsAgenda](http://www.floridapsc.com/Conferences/InternalAffairsAgenda). We apologize for this inconvenience.



**State of Florida**  
**Public Service Commission**  
**INTERNAL AFFAIRS AGENDA**  
**Tuesday, January 9, 2017**  
**Following Commission Agenda**  
**Room 105 – Gerald L. Gunter Building**

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1. Public Utility Research Center 2017 Annual Report to the Florida Public Service Commission – Dr. Mark Jamison
  2. Legislative Update
  3. General Counsel's Report
  4. Executive Director's Report
  5. Other Matters

OUTSIDE PERSONS WISHING TO ADDRESS THE COMMISSION ON  
ANY OF THE AGENDAED ITEMS SHOULD CONTACT THE  
OFFICE OF THE EXECUTIVE DIRECTOR AT (850) 413-6463.