

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida City
Gas.

DOCKET NO. 20170179-GU
ORDER NO. PSC-2018-0141-PCO-GU
ISSUED: March 15, 2018

SECOND ORDER MODIFYING ORDER ESTABLISHING PROCEDURE TO ADDRESS
DISPOSITION OF THE STIPULATION AND SETTLEMENT AGREEMENT

Florida City Gas (FCG) operates as a natural gas utility that serves approximately 108,000 customers in the southeastern portions of Florida, including Miami-Dade, Broward, Palm Beach, Brevard, Indian River, St. Lucie, Martin and Hendry counties. FCG filed its Minimum Filing Requirements requesting an increase in base rates on October 23, 2017. This docket was scheduled for an administrative hearing from March 26-30, 2018. The Office of the Public Counsel (OPC) and Federal Executive Agencies (FEA) intervened in this proceeding.¹

On March 12, 2018, OPC, FEA and FCG filed a Joint Motion in support of their Stipulation and Settlement Agreement (SSA) to resolve all matters within this docket. The SSA addresses matters raised in the FCG Rate Case, including the effects of the passage of the Tax Cuts and Jobs Act of 2017, signed into law by President Trump on December 22, 2017. In addition, the SSA authorizes FCG to increase its base rates and charges to generate an additional \$11,500,000 of annual revenues effective the first billing cycle of June 2018. It also authorizes a return on equity of 10.19%, and a storm reserve with an annual accrual of \$57,500 and a target reserve of \$800,000. The provisions of the SSA authorize FCG to construct a liquefied natural gas facility and provide for a 4-year stay-out period.

The signatories request that the SSA be approved in its entirety and that the Commission take final action no later than March 26, 2018, to allow tariffs effectuating the SSA to become effective June 1, 2018. FCG states that the SSA is the result of good faith efforts to address the issues in this proceeding in a manner that will provide regulatory certainty with regard to FCG's rates and will avoid unnecessary expense and uncertainty associated with further litigation, including a full rate proceeding.

Having reviewed the Joint Motion and in light of the fact that there appear to be no disputed issues of material fact, a Commission Hearing on the SSA shall take place immediately following the Gulf Rate Case Settlement in Docket 20180039-EI, which begins at 1:30 p.m. on March 26, 2018, pursuant to Section 120.57(2), Florida Statutes (F.S.).

¹Order No. PSC-2017-0429-PCO-GU, issued November 9, 2017, and Order No. PSC-201-0048-PCO-GU, issued January 22, 2018, respectively, in this docket.

Discovery

Commission staff and the parties may send no more than 150 data requests. Parties are directed to respond to the data requests in writing within three days of receipt of the request. Affidavits must accompany all written data responses. All data responses must be received by March 23, 2018. Information obtained through data request responses may be used by the parties in their oral arguments, by staff in advising the Commission, and by the Commissioners in consideration of the SSA.

Use of Confidential Information at Hearing

While it is the Commission's policy to have all Commission hearings open to the public at all times, the Commission also recognizes its obligation pursuant to Section 366.093, F.S., to protect proprietary confidential business information from disclosure outside the proceeding. Therefore, any party wishing to use at the hearing any proprietary, confidential business information, as that term is defined in Section 366.093, F.S., shall adhere to the following:

- (1) When confidential information is used in the hearing, parties must have copies for the Commissioners, necessary staff, and the court reporter, in red envelopes clearly marked with the nature of the contents. Any party wishing to examine the confidential material that is not subject to an order granting confidentiality shall be provided a copy in the same fashion as provided to the Commissioners, subject to execution of any appropriate protective agreement with the owner of the material.
- (2) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise confidentiality. Therefore, confidential information should be presented by written exhibit when reasonably possible.

At the conclusion of the portion of the hearing that involves confidential information, all copies of confidential exhibits shall be returned to the proffering party. If a confidential exhibit has been admitted into evidence, the copy provided to the court reporter shall be retained in the Office of Commission Clerk's confidential files. If such information is admitted into the evidentiary record at hearing and is not otherwise subject to a request for confidentiality filed with the Commission, the source of the information must file a request for confidential classification of the information within 21 days of the conclusion of the hearing, as set forth in Rule 25-22.006(8)(b), Florida Administrative Code (F.A.C.), if continued confidentiality of the information is to be maintained.

Hearing Procedures

Section 120.57(4), F.S., permits the Commission to informally dispose of any proceeding by stipulation, agreed settlement, or consent order. Section 120.57(2), F.S., permits the Commission to proceed with hearings not involving disputed issues of material fact. Pursuant to

Rule 28-106.302(2), F.A.C., the purpose of this hearing is for the Commission to take oral evidence or argument regarding FCG's request for approval of the SSA.

The hearing agenda for March 26, 2018, will include the following:

- Opening Statements by the Parties of no more than eight minutes per party
- Public Testimony of no more than three minutes per speaker
- Commission Staff Overview
- Presentation of evidence and responses to questions from Commissioners regarding the SSA

Upon completion of the Commission's questions, the hearing record will be closed, and the Commission may render a bench decision. If a bench decision is not made, the Commission will render a decision during a Special Agenda Conference, date and time to be determined.

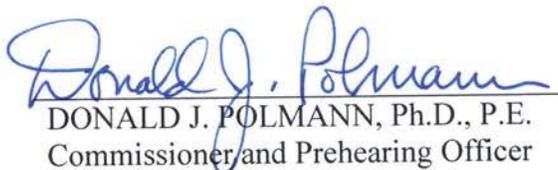
The Commission has jurisdiction in this matter pursuant to Chapters 120 and 366, F.S., and is proceeding under its authority under Sections 366.04, 366.041, 366.05, 366.06, 366.07, and 120.57, F.S., and Rules 28-106.301 and 28-106.302, F.A.C.

This Order is issued pursuant to the authority afforded to me by Rule 28-106.211, F.A.C., which provides that the Presiding Officer before whom a case is pending may issue any orders necessary to effectuate discovery, prevent delay, and promote the just, speedy, and inexpensive determination of all aspects of the case. The provisions of this Order shall replace the procedural requirements established by Order Nos. PSC-2017-0427-PCO-GU and PSC-2017-0461-PCO-GU.

It is therefore,

ORDERED by Commissioner Donald J. Polmann, as Prehearing Officer, that the provisions of this Order shall govern this proceeding unless modified by the Commission.

By ORDER of Commissioner Donald J. Polmann, as Prehearing Officer, this 15th day of March, 2018.



DONALD J. POLMANN, Ph.D., P.E.
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

WLT

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Office of Commission Clerk, in the form prescribed by Rule 25-22.0376, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.