

F L O R I D A
P U B L I C
S E R V I C E
C O M M I S S I O N

2009 Annual Report

Reflecting Calendar Year 2009

CHAIRMAN'S MESSAGE

An economic downturn in 2009 affected all sectors of society. Business, industry, and consumers had to adjust to the demands and pressures that accompany a sagging economy. This backdrop made the charge of Florida's Public Service Commissioners—to balance the customer's need for affordable, safe, and reliable utility services with the utility company's need to provide efficient services—even more significant and challenging.

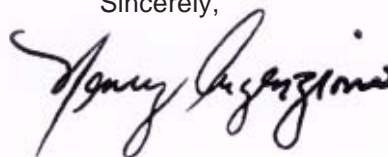
For the first time in decades, the Commission held hearings on base rate increase requests from the state's three largest electric companies. Commissioners heard from thousands of consumers about the proposed rate increases at customer service hearings held across the state for each case, as well as from representatives of the utilities and intervenors during weeks of evidentiary hearings in Tallahassee. The high profile cases spurred media attention and scrutiny of Commission procedures and policies. Decisions for two of these requests are scheduled to be decided in January 2010.

Florida's Legislature revised the telecommunications statutes in 2009 to limit the FPSC's jurisdiction over service quality to "basic telephone service" only. Overall, the statutes recognize the rapidly changing and competitive telecommunications industry and the need for streamlined regulation. The new statutes also expanded income eligibility for the Lifeline program, from 135 percent to 150 percent of the federal poverty level, helping more Floridians to benefit from the discounted telephone program. Participation in Lifeline increased by more than 200 percent this year, with the ease of online enrollment and the addition of a prepaid wireless program carrier.

Water continues to be a precious commodity in Florida, as many small water and wastewater utilities petitioned the Commission for rate increases to upgrade service operations and improve water quality. The issues that surround water's availability and use will become increasingly more important with the state's aging infrastructure and shifting population.

I invite you to read more about Commission decisions in our *2009 Annual Report*. Although it was a tempestuous year for the Commission in many ways, our goal is to continue our responsibility to facilitate safe and reliable utility services at fair prices. I appreciate the new challenges as I begin my term as chairman and look forward to participating in the important decisions that lie ahead.

Sincerely,

A handwritten signature in black ink, appearing to read "Nancy Argenziano". The signature is fluid and cursive, written over a light gray rectangular background.

Nancy Argenziano
Chairman

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I Introduction

Information Directory

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 toll-free fax.

Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850
Toll-Free: 1-800-342-3552 (Nationwide)
Toll-Free Fax: 1-800-511-0809 (Florida)

E-mail address: *contact@PSC.state.fl.us*
Internet home page: www.floridaPSC.com

(Detailed telephone contact information is available at
<http://www.floridaPSC.com/about/contact/phonedirectory.aspx>.)

District Offices

Miami

3625 Northwest 82nd Avenue
Suite 400
Miami, Florida 33166-7602
(305) 470-5600

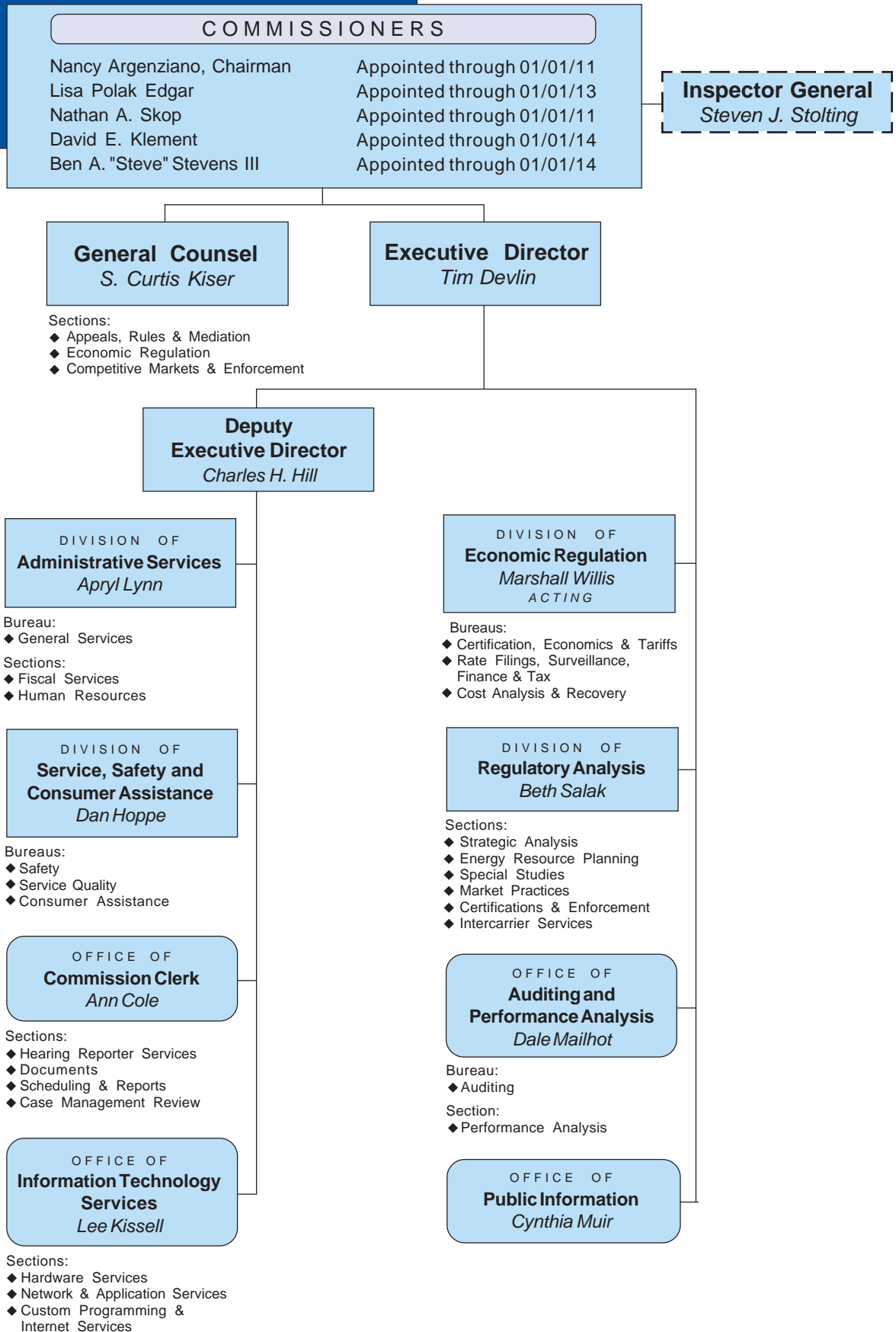
Tampa

4950 West Kennedy Boulevard
Suite 310
Tampa, Florida 33609-1830
(813) 356-1444

Tallahassee

2540 Shumard Oak Boulevard
Tallahassee, Florida 33299-0850
(850) 413-6416

FPSC Organizational Chart



The Commissioners



COMMISSIONER
Ben A. "Steve" Stevens III
(01/10 - 01/14)



COMMISSIONER
Lisa Polak Edgar
(01/05 - 01/13)



CHAIRMAN
Nancy Argenziano
(05/07 - 01/11)



COMMISSIONER
Nathan A. Skop
(05/07 - 01/11)



COMMISSIONER
David E. Klement
(10/09 - 01/14)

Nancy Argenziano was appointed to the Florida Public Service Commission by Governor Charlie Crist for a four-year term beginning May 2007 and was elected Chairman for the years 2010 and 2011. Before her appointment to the PSC, Chairman Argenziano served more than 10 years in the Florida legislature. She was first elected to the Florida House of Representatives in 1996 (District 43) and served there until her election in 2002 to the Florida Senate (District 3). ♦ While serving in the legislature, she served on many different committee and council assignments including Environmental Preservation, Governmental Oversight (Chair), Comprehensive Planning, Criminal Justice (Chair), Criminal Justice Appropriations, Regulated Industries, Rules and Calendar, Agriculture (Chair), Administrative Procedure, Public Service Commission Oversight, Ethics and Elections, Health Policy, Elder Affairs (Chair), Healthcare Council (Chair), Crime and Punishment, Water Resource Management, and Utilities and Communication. ♦ As a Senator, her legislative career focused on protection of the elderly and other vulnerable citizens, resource protection, and full participation of the citizens in their government. Notable legislation which she has sponsored includes nursing home reform, "local sources first" (water use), two pharmacy discount programs, a law providing for clearing the courtroom for victim sex crime testimony, enhanced penalties for crimes against the elderly, Public Counsel representation in utility rates cases, protection of our springs, a "scambusters" program for the protection of consumers, and protection for our children from sexual predators (the Jessica Lunsford Act), just to mention a few. ♦ Chairman Argenziano has one son, Joseph, who has proudly served his country for 14 years in the United States Air Force. Chairman Argenziano is a member of the National Association of Regulatory Utility Commissioners (NARUC).

Lisa Polak Edgar was reappointed to the Florida Public Service Commission (PSC) by Governor Charlie Crist for a four-year term beginning January 2009. From January 2006 to January 2008, she served as Chairman and participated as a member of the Florida Energy Commission and the Governor's Action Team on Energy and Climate Change. ♦ During her first term, Commissioner Edgar worked to develop policies to strengthen the state's electric infrastructure to better prepare for, and withstand, storm events; to establish net metering and interconnection rules that encourage customer participation and renewable energy development; to further the diversification of Florida's fuel supply; to effectively reform the collection and distribution of universal service funds; and to broaden stakeholder participation. ♦ She is a member of the National Association of Regulatory Utility Commissioners Board of Directors and the Telecommunications Committee. Commissioner Edgar serves on the Federal Communications Commission Universal Service Joint Board and the U.S. Department of Transportation Technical Pipeline Safety Standards Committee. She is a member of Leadership Florida. ♦ Prior to joining the PSC, Commissioner Edgar served as Deputy Secretary for the Florida Department of Environmental Protection (DEP). Her responsibilities at DEP included oversight of the agency's \$2.1 billion budget, fiscal and strategic planning, accountability measures, information technology, administrative services, geological survey, and coordination between the state and federal government on environmental issues, including oil and gas drilling on the Outer Continental Shelf. Commissioner Edgar represented the State of Florida on the Minerals Management Service Outer Continental Shelf (OCS) Policy Committee from 1993-2004, and on the Subcommittees on Environmental Studies in OCS Areas under Moratoria and OCS Hard Minerals. ♦ During her career in public service, Commissioner Edgar has also served as chief analyst on Environmental Policy for the Office of Policy and Budget, Executive Office of the Governor; senior cabinet aide in the Department of Agriculture and Consumer Services; staff counsel and legislative analyst for the Florida Senate Committees on Reapportionment and Regulated Industries; completed the Harvard Kennedy School of Government Program for Senior Executives in State and Local Government; and co-taught a special topics graduate course on the Everglades at Florida A&M University. ♦ Commissioner Edgar received a Bachelor of Science and a Juris Doctorate from Florida State University and is a member of the Florida Bar. She studied in London during her undergraduate education and in Yugoslavia during law school. She and her husband are raising their two young children in Tallahassee.

The Commissioners

Continued from page 3

Nathan A. Skop was appointed to the Florida Public Service Commission by Governor Charlie Crist for a four-year term beginning January 2007. ♦ Commissioner Skop currently serves as a faculty instructor for the National Association of Regulatory Utility Commissioners (NARUC) Utility Rate School. Commissioner Skop also serves on the NARUC Committee on Electricity and the Subcommittee on Nuclear Issues - Waste Disposal. Commissioner Skop previously served on the NARUC Committee for Consumer Affairs and the Committee on Energy Resources and the Environment. ♦ Prior to his appointment, Commissioner Skop gained over thirteen years of engineering, manufacturing, operations, program management, and financial management experience working for Fortune 500 corporations. ♦ Commissioner Skop began his professional career as a nuclear project engineer with the Electric Boat Division of General Dynamics Corporation in Groton, Connecticut. As a member of the Advanced Propulsion Plant Technology Program he participated in the design, integration, and qualification testing of nuclear submarine propulsion system turbomachinery for the USS SEAWOLF (SSN 21), and participated in the initial criticality and power range testing of the USS SANTA FE (SSN 763) nuclear submarine reactor plant. ♦ Commissioner Skop continued his professional career as a specialist engineer with the Propulsion Systems and Customer Service divisions of the Boeing Commercial Airplane Group in Seattle, Washington. While serving in these positions he participated in the design, integration, and test of Engine Build-Up installations for Pratt & Whitney engines installed on Boeing 777 aircraft, and supported General Electric aircraft engines installed on Boeing 747, 767, and 777 aircraft. ♦ Prior to attending law school, Commissioner Skop gained substantial renewable energy and energy industry experience as a business manager with FPL Energy (an unregulated subsidiary of FPL Group) through managing nine renewable wind energy projects located in Altamont Pass, California, and a coal fired co-generation plant located in Stockton, California. ♦ Commissioner Skop's extensive power generation experience includes renewable energy (wind and solar), fossil fuel (combined cycle, gas turbine, co-generation, and coal), and nuclear power. ♦ Commissioner Skop graduated from the University of Florida with a BS in Aerospace Engineering in 1991. He later earned an MBA with concentrations in financial management and investment analysis from Rensselaer Polytechnic Institute in 1996, and a JD from the University of Florida Levin College of Law in 2006. Commissioner Skop also holds a graduate level certificate in environmental management from the Hartford Graduate Center and attended an executive education program focusing on mergers and acquisitions at the Wharton School of Business at the University of Pennsylvania. ♦ Commissioner Skop has been quoted in *BusinessWeek*, *The New York Times*, and *NPR Morning Edition* on regulatory policy issues, and had a case comment published in the *Journal of Technology Law & Policy* for the Levin College of Law at the University of Florida. ♦ Commissioner Skop is admitted to practice law in Florida, a member of the Florida Bar, and serves as a Guardian ad Litem for the Circuit Court of the Second Judicial Circuit in Leon County. ♦ Commissioner Skop was raised in Sanford, Florida. Prior to relocating to Tallahassee to serve in his current position, Commissioner Skop previously lived in Gainesville and Palm Beach Gardens, Florida.

David E. Klement was appointed to the Florida Public Service Commission (PSC) by Governor Charlie Crist for a four-year term beginning January 2010. He joined the PSC in October 2009, when Governor Crist selected him to fill a Commissioner vacancy. ♦ Prior to his appointment, Commissioner Klement served as Director of the Institute for Public Policy & Leadership at the University of South Florida, where he created forums to address community needs, anticipated future challenges and the strategies to tackle them, and engaged students in leadership and civic opportunities. ♦ Commissioner Klement worked as a journalist for more than four decades, most recently serving as editorial page editor at *The Bradenton Herald*. In this capacity, he formulated editorial policy for the daily newspaper and authored editorials as well as regular personal columns. He formerly held the business editor and city editor positions at the *Herald*, which involved convening and moderating town hall meetings and creating public affairs programs on government access television. The Commissioner was also an editor and reporter at *The Detroit Free Press* and *The Daily Oklahoman* in Oklahoma City. ♦ He has received honors from the Southern Newspaper Publishers Association, the Society of Professional Journalists, and the Florida Press Association for his editorial writing. Commissioner Klement also shared the prestigious Pulitzer Prize with the newsroom staff of *The Detroit Free Press* in 1968 for coverage of the Detroit riots in 1967. ♦ A recent graduate of Leadership Florida, Commissioner Klement received a bachelor's degree in journalism from the University of North Texas and a master's degree in mass communications from the University of South Florida. He has served as a member of both the Manatee and the Sarasota Chambers of Commerce and served on the Boards of the U.S. Green Building Council, Myakka River Branch, and Manatee Educational Television (METV). ♦ He has been married to his wife, JoAnne, for 31 years. She is a former journalist and now is a public relations marketing consultant. They have two adult children and five grandchildren.

Ben A. "Steve" Stevens III, CPA was appointed to the Florida Public Service Commission (PSC) by Governor Charlie Crist for a four-year term beginning January 2010. Commissioner Stevens most recently served as the chief financial officer for the Escambia County Sheriff's Office for eight years. Before this, he served as interim director and manager of the Office of Management and Budget for the Escambia Board of County Commissioners, where he also worked as a budget research analyst. Commissioner Stevens, a licensed certified public accountant, began his career in 1989 with a private public accounting firm, Saltmarsh, Cleaveland & Gund. ♦ He is past president of the 19,000-member professional association, the Florida Institute of Certified Public Accountants, and past president of the Pensacola Cordova Rotary. Commissioner Stevens received B.S. degrees in Accounting and Finance from Florida State University. A small business owner, he is married to wife, Ginny, and they have three children.

Executive Management



EXECUTIVE DIRECTOR

Tim Devlin

The Executive Director is responsible for directing, planning, and administering the overall activities of the Commission staff, except the Office of the 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 and the directors of the Division of Regulatory Analysis, the Division of Economic Regulation, the Office of Public Information, and the Office of Auditing and Performance Analysis.



DEPUTY EXECUTIVE DIRECTOR

Charles H. Hill

The Deputy Executive Director assists the Executive Director in providing direction and leadership for the staff and is delegated full authority in his absence. He has direct line authority over the Division of Administrative Services; the Division of Service, Safety and Consumer Assistance; the Office of Commission Clerk; and the Office of Information Technology Services.



GENERAL COUNSEL

S. Curtis Kiser

The General Counsel is the Commission's chief legal counsel. He supervises the FPSC's legal personnel and is charged with the administration and delegation of responsibilities to the lead attorneys in his office. The General Counsel is also responsible for advising the FPSC on the legal aspects of its regulatory responsibilities, providing legal representation in court and before federal agencies, providing legal counsel to the Office of the Executive Director, and assisting in interagency liaison activities.

II

Defining the FPSC's Role

MISSION STATEMENT:

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



The Florida Public Service Commission must balance the needs of a utility and its shareholders with the needs of consumers.

The Commission's work is a balancing act, weighing the needs of a utility and its shareholders with the needs of consumers. For water and electric utility companies, the Commission oversees service territories, regulates rates and profits, and requires utilities to provide service to all who request it. With the introduction of increased competition in local telephone markets, the Commission is responsible for encouraging and promoting fair and reasonable growth within the telecommunications industry.

This year, Florida's economy was challenged by a declining population, which in turn affected all businesses and industries as they adapted to a changing environment. Public utilities play a major role in the state's economy and in our society; we cannot live in today's world without water, wastewater, energy, or telephone services. The FPSC ensures that Florida's residents receive these essential services in a safe, affordable, and reliable manner. 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 entails facilitating the development of competitive markets and managing issues associated with them.
- ◆ Safety, reliability, and service monitoring promotes 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 which include 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

The FPSC establishes and monitors earnings levels for regulated electric, natural gas, water and wastewater companies. Whenever a company believes that its earnings are below a reasonable level, the company can petition the FPSC for a change in rates. The Commission conducts an extensive review of the company's earnings and determines its fair levels of rates and earnings to decide a reasonable rate of return. The review also analyzes the actual rates charged by the company, allocates revenue requirements between classes of customers, and develops appropriate rate structures within rate classes.

Each company's earnings levels are regularly monitored. Companies file annual reports which are reviewed to determine the amount of earnings for the prior year. If it appears that a company will experience excessive earnings in the coming year, the FPSC fully analyzes that company's books and records and, when appropriate, reduces its rates. The FPSC may determine earnings are subject to refund if the review indicates the company is overearning.

Energy

In addition to annual reports, the investor-owned electric and natural gas companies also file earnings information quarterly, semi-annually, or monthly, 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 it appears that a company may be overearning.

Annually, the FPSC critically reviews each regulated utility's fuel, capacity, conservation, and environmental costs and authorizes recovery of the prudently incurred expenses. Other areas of economic regulation for the energy industry include special contracts, new tariff offerings, conservation program approvals and revisions, depreciation, amortization, nuclear decommissioning studies, and fossil fuel dismantlement studies.

Water and Wastewater

In the water and wastewater industries, the FPSC processes a significant number of cases. The majority of these cases involve rate increases or limited-proceeding increases resulting from the increased costs of providing service. Other cases involve overearnings investigations in which the FPSC determines if a rate reduction is necessary.

The Commission also processes certification requests, the majority of which involve the transfer or amendment of certificates of authorization. Other cases concern the original certification of a new utility. In certification cases, the Commission issues certificates and sets initial rates and charges for new utilities, transfers or amends existing certificates, acknowledges abandonments, and cancels certificates for systems transferred to exempt entities.

The issue of reuse (using effluent water for a beneficial purpose, such as irrigation) has significant implications in the area of rate base/economic



The Legislature has recognized the benefit of reuse as a method of water conservation. It is the FPSC's charge to identify reuse issues and establish policies.

"Purple Pipes" identify reuse projects.



The Florida PSC, the Department of Environmental Protection, and the five Water Management Districts are coordinating efforts to meet statewide water conservation goals.

regulation. The Legislature has recognized the benefit of reuse to Florida and has enacted provisions in the governing 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 the statewide goals. In meeting this charge, Commission staff participates on a Reuse Coordinating Committee along with staff from the DEP, the WMDs, the Florida Department of Agriculture and Consumer Services, the Florida Department of Health, and the Florida Department of Transportation.

In Florida, conserving water is vital to the state'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 with the DEP and the five WMDs to coordinate efforts to improve statewide water quality and meet statewide conservation goals. Both agencies are frequently called upon to testify 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 establish conservation rates to reduce water consumption.

Competitive Market Oversight

The FPSC addresses competitive market structure and regulatory issues in industries that were traditionally considered monopolies but are now transitioning into competitive markets (i.e., telecommunications). New technologies and customer choice are two catalysts for the change to competition. The advent of innovative technologies allows new market entrants, as well as opportunities for established regulated companies. In addition, customers may benefit from increased competition by having more service options. As companies transition from monopoly to the competitive provision of utility services, the FPSC must ensure that regulatory barriers are removed and that customers continue to receive quality service.

In the telecommunications industry, a key focus of the FPSC is facilitating the development of competition in the local telephone market, which includes arbitrating agreements between incumbent local exchange companies (ILECs) and competitive local exchange companies (CLECs) when negotiations fail. The FPSC is also active in monitoring and assessing the status of local competition, processing negotiated agreements, interpreting agreements and tariffs, providing input on legislative and Federal Communications Commission (FCC) initiatives, and conducting generic proceedings to implement approved initiatives and address recurring issues.

Another FPSC responsibility includes conducting regular reviews of industry practices to determine whether entities are engaging in practices that could

impede the development of competition. Other major areas involve processing area code relief cases and providing oversight of numbering resources.

The Commission has been reviewing both existing and emerging Internet access technology and backbone infrastructure. In doing so, the Commission recognizes the blurring distinction between the traditional telephone network and the data transmission networks. The FPSC identifies different technologies involved, assesses the direction of those technologies, analyzes pricing differences between voice and data networks, and determines what, if any, actions the Commission should consider.

Reviewing and maintaining the retail tariffs or price lists filed by the telecommunications companies, as well as setting certain wholesale prices (e.g., ILEC unbundled network elements used by CLECs to provide service) are also FPSC responsibilities. In addition, the Commission establishes reciprocal compensation oversight to guide the compensation to companies which terminate local traffic from other companies.

Another critical aspect of competitive market oversight in the telecommunications industry is the certification process. Most telecommunications companies conducting business in Florida are required by state law to be certificated by the FPSC. The exception to the certification requirement is Interexchange Companies (IXCs), which are not required to be certificated but are required to register with the Commission, file tariffs, provide a point of contact for the company, and pay regulatory assessment fees.

Reliability, Safety, and Service Issues

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

Energy

Reliability

In the electric industry, the FPSC reviews regulated utilities' ten-year site plans to assess the utilities' abilities to 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.

The FPSC also participates in formal and informal proceedings relating to long-range electric utility bulk power supply operations and planning; electric and natural gas safety and service quality, including complaints; electric utility conservation goals and programs; and emergencies due to operational events or weather.



The FPSC has been reviewing both existing Internet access technology and backbone infrastructure.

Electric Distribution Reliability and Infrastructure Hardening

The FPSC also monitors investor-owned utilities' (IOUs) performance through review of each company's *Electric Distribution Reliability Report*, which is 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 the quality and reliability of services the IOUs are providing. In addition to the reliability indices, the reports also describe the status of each IOU's storm hardening efforts related to ten initiatives established by the FPSC. The FPSC's ten ongoing storm hardening initiatives include such programs as vegetation management, hardening of existing structures, joint-use agreements, auditing pole attachments, and natural disaster preparedness. The Commission reviews these reports to ensure the utilities' compliance with Commission requirements. This review ensures that Florida's utilities are maintaining quality service that is safe and reliable.

Electric Safety

The FPSC is statutorily responsible for electric safety. By statute, the Commission has adopted the National Electrical Safety Code as the applicable safety standard for transmission and distribution facilities subject to the FPSC's safety jurisdiction. In addition, the Commission rules set requirements for accident reporting, quarterly utility compliance reports, and FPSC inspections of facilities. Electric safety engineers inspect utility electric transmission and distribution construction sites that are selected from utility work orders. Any variances from the National Electrical Safety Code are corrected through a quality control program.

Natural Gas Pipeline Safety

Safety compliance evaluations are conducted annually on all natural gas systems. These evaluations focus on corrosion control, leak surveys, leak repairs, emergency response, drug testing, employee training, employee qualification, maintenance, operation, and new construction.

The Commission's pipeline safety staff evaluates natural gas systems covering thousands of miles of pipeline and customer service lines. These evaluations generally result in the issuance of 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.

The Commission's pipeline safety program will be evaluating and working with a new rule proposed by the Pipeline and Hazardous Materials Safety Administration (PHMSA). The PHMSA has published a proposed rule that would establish integrity management requirements for gas distribution pipeline systems. Over the past several years PHMSA has implemented new integrity management regulations for hazardous liquid and gas transmission versus distribution pipelines. These regulations are intended to help assure pipeline integrity and improve the already good pipeline safety record.



Safety compliance evaluations are conducted annually on all natural gas systems.

Also, Commission energy staff supports and assists the state's Emergency Operations Center in energy-related matters during storm and emergency situations.

Telecommunications

Telephone Safety

In the telecommunications industry, the FPSC monitors telephone safety through inspection of the local telephone companies' central offices and outside facilities for compliance with the National Electrical Safety Code and the National Electric Code. This monitoring protects the safety of the companies' workers and customers.

Telephone Service Quality

Service quality is monitored through company-provided data, inspections of the local telephone companies' installation and repair records, and billing accuracy tests. During pay telephone evaluations, access to 911, accuracy of the pay telephone address, and operational aspects such as the coin return are verified.

Samples of hotel/motel room telephones are inspected for blocking access to 911 and operator services. These inspections also verify that all information required by statute and rule is readily available to hotel/motel room occupants.

Implementation of 2009 Statutory Changes

The 2009 Florida Legislature passed CS/CS/SB 2626 which amends Chapter 364, F.S., and changes the existing regulatory framework for telecommunications, designating the Department of Management Services as the primary agency for the development of a strategic plan for broadband deployment and use in the state.

The new law primarily impacts FPSC oversight of incumbent local exchange companies. The bill redefines basic service for the purposes of regulatory oversight to include only single line, flat-rate residential service without any additional features, either priced individually or as part of a combination of services (including unregulated services such as wireless or video services) offered for one price. The revised definition reclassifies flat-rate, single line business customers and residential customers that subscribe to more than one line or at least one additional feature as nonbasic service. Nonbasic services do not have the same degree of price protection and service quality protection previously available for basic service. In addition, the bill eliminates certain regulatory requirements of nonbasic services (any service other than basic, interconnection services, and network access services). Significant changes to FPSC jurisdiction include the following:

- ◆ Single line business customers and residential customers subscribing to any nonbasic or unregulated services on an a la carte basis are now considered nonbasic subscribers. Previously, the local service component was classified as basic service and, as such, rate increases in any 12-month period were limited to the change in inflation less one percent.

The new law grandfathers in all existing basic service customers as of July 1, 2009. (Section 364.02(1) and (10) and 364.051(93), F.S.)

- ◆ Nonbasic subscribers may now be subject to 10 percent rate increases in a 12-month period, a reduction from the 20 percent increases previously allowed, if competitors are present. (Sections 364.02(1) and (10) and 364.051(5)(a), F.S.)
- ◆ The FPSC no longer has authority to resolve service quality complaints of nonbasic business or residential customers. (Sections 364.02(1) and (10) and 364.051(5)(b), F.S.)
- ◆ The FPSC's authority to compel repairs or improvements is restricted to facilities serving single line residential customers without nonbasic or unregulated services. (Section 364.15, F.S.)
- ◆ The income eligibility criteria for Lifeline service is increased from the existing 135 percent to 150 percent of the federal poverty guidelines. (Section 364.10(3)(a), F.S.)
- ◆ The FPSC authority over contract terms between telecommunications companies and their subscribers is repealed. (Sections 364.051(1)(c) and 364.19, F.S.)
- ◆ The requirement that companies file tariffs containing rates, terms, and conditions of service is eliminated, and companies are allowed to publish this information electronically. (Sections 364.04(1), 364.10(3)(a), and 364.051(5)(a), F.S.)
- ◆ The bill insert requirement to annually inform customers of the prices of services they subscribe to is eliminated. Companies are still required to inform customers of this information annually, but the method is not specified. (Section 364.3382, F.S.)
- ◆ The price cap for operator services is removed. (Section 364.3376(3), F.S.)
- ◆ Certified carriers are allowed to merge or transfer ownership without any state regulatory oversight. (Section 364.33, F.S.)

The PSC is currently reviewing and changing, as necessary, its rules to ensure compliance with the revised statutes.

Water and Wastewater

In the water and wastewater industries, the FPSC oversees 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 warranted, a staff engineer is assigned to work with the consumer and utility personnel to determine the cause of the concern.



Water is a precious resource.

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. Staff reviews consumer concerns and works with the utility to resolve service issues. In some cases, a complaint may result from possible violations of DEP public health rules, where FPSC staff works with the DEP to resolve the issue.

Consumer Assistance, Protection, and Education

By providing effective consumer assistance, protection, and education, the FPSC accomplishes its mission of assisting consumers and educating the public about the changing regulatory environment.

The FPSC participates in a variety of outreach events such as consumer forums, community meetings, and customer meetings and hearings, and develops consumer publications and presentations. The FPSC continues to enhance its outreach methods to provide access to information, such as electronic access, so that consumers have accurate and pertinent information to make informed decisions about utility services.

While the FPSC manages the transition to more competitive markets, the agency also continues to make sure that customers receive nondiscriminatory telecommunications service, particularly through its enforcement efforts. The enforcement function is a pivotal component of the Commission's consumer protection mandate. The agency monitors the offerings provided by telecommunications companies and guides consumers through anticipated changes, so they receive the best service and rates for their needs.

Where consumers once dealt with a single local telephone company and long distance carrier, they now may interact with competitive local exchange companies, operator service providers, billing agents, equipment vendors, and private owners of pay telephones. The FPSC serves an important role in resolving service quality issues for those consumers with basic telephone service and in implementing policies that promote competition, universal service, and technological advancement.

Specific consumer concerns about fuel cost volatility and hurricane damage have become a changing part of the natural gas and electric industry. The FPSC has a statutory obligation to protect the consumer by ensuring public safety and to provide assistance in addressing consumer service quality concerns.

Another aspect of consumer assistance relates to customer issues such as billing. The FPSC assists consumers with analyzing their utility bills and verifying the accuracy of charges. The FPSC intends that disputes between regulated companies and their customers be resolved in a fair and efficient manner. The Commission's Transfer Connect system is one way the FPSC resolves con-

Consumer Assistance

The FPSC participates in a variety of outreach events such as consumer forums, community meetings, and customer meetings and hearings, and develops consumer publications and presentations.



The FPSC resolves consumer complaints by investigating the facts and circumstances of the case with the customer and the company.

sumer complaints. When a consumer calls the FPSC's toll-free telephone number (1-800-342-3552) with a question or a complaint regarding utility services, a FPSC staff member, with the customer's approval, will transfer the call directly to the utility for its 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 enables FPSC staff to consult with a utility representative and pass on information from the caller without the caller repeating the information.

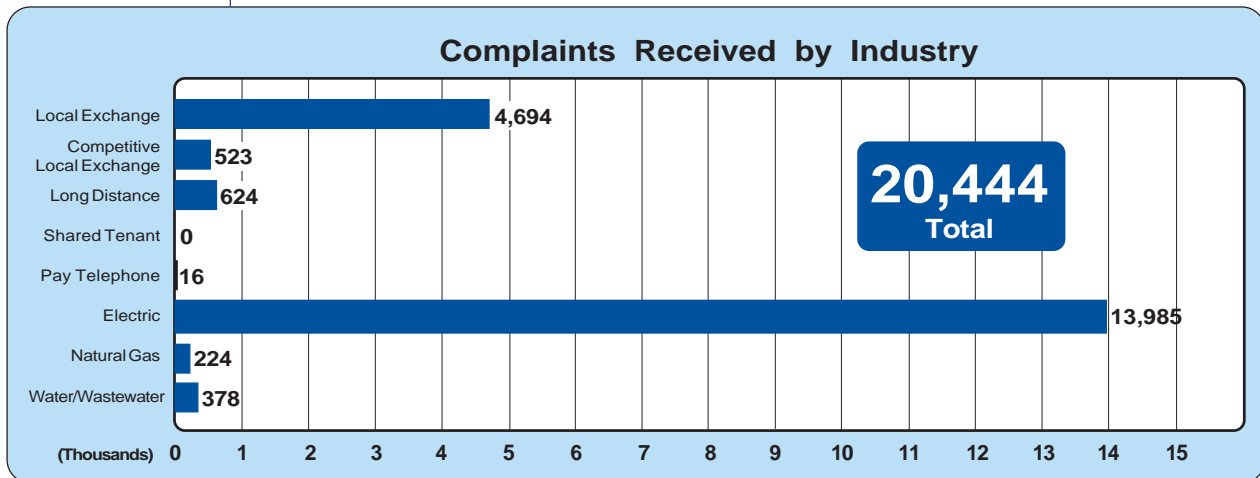
Complaint Activity

In addition to helping resolve complaints between residential and business customers and Florida's regulated utilities, the FPSC provides consumer information about utility payment plans, statutes and rules governing utility companies, and the status of pending cases before the Commission. A variety of fact sheets, brochures, and consumer tips are available to help consumers.

There are six ways consumers may contact the FPSC:

- ◆ Complete an online complaint form
- ◆ E-mail correspondence to contact@PSC.state.fl.us
- ◆ Call the toll-free number at 1-800-342-3552
- ◆ Fax information toll-free at 1-800-511-0809
- ◆ Send mail to: Florida Public Service Commission
Division of Service, Safety and Consumer Assistance
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850
- ◆ Visit the FPSC's Web site at www.floridapsc.com

During 2009, 20,444 complaints were logged with the FPSC against utility companies. The following chart identifies those complaints received by industry.



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.

Consumer Education

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.

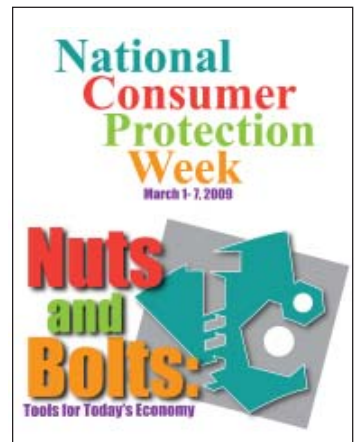
The FPSC closely monitors informal consumer inquiries and complaints to identify trends affecting consumers and then produces related outreach materials to address those needs. The FPSC provides consumers with the information they need to understand the benefits of competition and to know their rights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

Consumers receive information in a variety of ways, including the FPSC Web site, news releases, toll-free phone and fax numbers, consumer publications, the media, brochures, scheduled FPSC meetings open to the public, and community events. The FPSC's home page, www.floridaPSC.com, is continually updated to make the site more user-friendly. The Web site contains information about the regulated industries, press releases, and agency publications. In addition to obtaining information, consumers may file online complaints and inquiries about their utility services. Commission events and meetings are frequently accessible online as live video and/or audio broadcasts.

One of the Commission's most effective consumer education programs is the Library Outreach Program. Through this program, the Commission provides more than 280 public and branch libraries across the state with FPSC publications highlighting practical energy and water conservation measures. Results from periodic surveys to library administrators indicate their continuing support for the program.

National Consumer Protection Week played a significant role in the FPSC's 2009 conservation education efforts. The Commission partnered with WORKFORCE *plus* to help Florida's unemployed residents save money on their telephone and utility bills. The week's activities began at the WORKFORCE *plus* Tallahassee office. Additional events were held in Jacksonville, Tampa, and Madison. In keeping with the national theme, *Nuts and Bolts: Tools for Today's Economy*, presentations included information about reducing utility expenses through conservation, and consumers were provided with educational brochures featuring tips on energy and water conservation.

The FPSC participates in consumer programs and distributes conservation-related materials through partnerships with governmental entities, consumer groups, and many other organizations. Examples of events where conservation information was shared during 2009 include Ambassadors for Aging Day, Gadsden County Come Together Day, West Florida Community Day, Lincoln Neighborhood Center Senior Day, National Employ Older Workers Week, and National Lifeline Awareness Week. The FPSC also provided a variety of





Teaching Florida's students about the importance of energy and water conservation encourages wise usage for years to come.

conservation brochures to be distributed by Lake County during Public Assistance Day and the Ninth Annual Central Florida Kidfest and Family Expo.

Educating Florida's young consumers is an effective way for the FPSC to expand conservation education. In 2009, the FPSC participated in the Earth Day celebration at the Florida Capitol that focused on *Green Schools*. The FPSC joined with the Tallahassee Young Actors Theatre premier of *Somewhere That's Green* and provided students and their teachers with energy and water conservation tips to use on campus and at home. During 2009, the FPSC developed and published the new *Get Wise and Conserve* booklet to educate children about energy and water conservation, as well as provide telecommunications facts. The student resource book features the colorful characters Electra, Deputy Drip, and Tammy Talkalot who help children learn the importance of conservation.

To assist Florida legislators and other government officials whose constituents may 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 case background and helps answer constituent inquiries.

Throughout the year, FPSC Commissioners and/or staff attend customer hearings and meetings around the state. Public meetings provide an inclusive process that allows Florida consumers to participate and share their views with Commissioners. For each hearing or meeting, customers receive a *Special Report* that explains the case information being reviewed and encourages consumer participation. FPSC staff distribute brochures and address citizen questions and concerns. Additional brochures can also be downloaded from the FPSC's Web site.



FPSC's Regulatory Efforts for Calendar Year 2009

In 2009, the FPSC regulated 5 investor-owned electric companies, 7 investor-owned natural gas utilities, and 158 investor-owned water and/or wastewater utilities and had competitive market oversight for more than 1,020 telecommunications companies in Florida.

The number of certificated telecommunications companies or registered interexchange companies as of December 2009, was as follows:

- ◆ 10 incumbent local exchange companies (ILECs)
- ◆ 311 competitive local exchange companies (CLECs)
- ◆ 504 interexchange companies (IXCs)
- ◆ 146 pay telephone service companies (PATs)
- ◆ 29 alternative access vendors (AAVs)
- ◆ 23 shared tenant service providers (STS)

The FPSC does not regulate the rates and service quality of publicly owned municipal or cooperative electric utilities; however, the Commission does have jurisdiction, with regard to 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, with regard to territorial boundaries and safety, over 27 municipally owned natural gas utilities and, in addition, exercises safety authority over all electric and natural gas systems operating in the state. During 2009, a number of significant issues presented challenges for the Commission and are summarized below.

Energy

Electric Rate Cases

During 2009, the Commission processed a rate case involving Tampa Electric Company (TECO). TECO requested an increase in permanent rates of \$228.2 million. The Commission granted TECO an increase of \$104,268,536 that was memorialized in Order No. PSC-09-0283-FOF-EI, issued April 30, 2009. On May 15, 2009, intervenors in the case jointly filed a Motion for Reconsideration, contesting the Commission decision, and TECO also filed a Motion for Reconsideration. The Commission granted, in part, TECO's request for reconsideration; permanent rates were increased from \$104,268,536 (originally approved) to \$113,604,121. The Office of Public Counsel, Florida Industrial Powers Users Group, Florida Retail Federation, and the Attorney General have jointly filed an appeal of the case to the Florida Supreme Court.



On March 18, 2009, Florida Power & Light Company (FPL) filed its petition requesting a permanent rate increase of \$1.044 billion. On May 5, 2009, the Commission voted to suspend FPL's proposed increase to allow the Commission to thoroughly analyze FPL's request. As part of the case, the Commission held nine customer hearings throughout FPL's service territory to take testimony from FPL's customers regarding the quality of service received, as well as FPL's requested increase. A technical hearing began on August 24, 2009, and continued through Saturday, September 5. The hearing resumed on September 16-17, continued on October 21-22, and concluded on October 23, 2009.

On March 20, 2009, Progress Energy Florida, Inc. (PEF) filed its petition and financial documentation regarding its request for a rate increase. Progress requested an interim increase of approximately \$13 million. Interim relief allows the utility to increase its rates to the minimum of the range of the utility's last authorized rate of return while the Commission processes its case. The Commission approved PEF's requested interim relief and suspended PEF's requested permanent increase of approximately \$500 million so that an examination could be conducted regarding the basis for the proposed rates. Nine customer meetings were held to obtain public comments on PEF's quality of service and its proposed rates. A technical hearing was conducted from September 21 through October 1, 2009.

Gas Rate Cases

The Commission also processed three natural gas rate cases: Peoples Gas System (Peoples), Florida Public Utilities Company (FPUC), and Florida Division of Chesapeake Utilities Corporation (FDCUC).

In August 2008, Peoples requested a permanent increase of \$26,488,091 and an interim increase of \$3,748,000. The Commission granted Peoples an interim increase of \$2,380,000. Based on the evidentiary record in the case, the Commission granted Peoples a permanent rate increase of \$19,152,365, memorialized in Commission Order PSC-09-0411-FOF-GU, issued June 9, 2009. On June 24, 2009, Peoples filed a Motion for Reconsideration. The case is pending before the Commission.

In December 2008, FPUC filed its application for an interim and permanent rate increase and requested that its case be processed using the Proposed Agency Action (PAA) procedure permitted under Section 366.06(4), F.S. FPUC requested \$984,054 in interim relief and \$9,917,690 in permanent relief. The Commission granted FPUC a permanent rate increase of \$8,496,230, as codified in Order No. PSC-09-0375-PAA-GU, issued May 27, 2009. However, after the recommendation was filed, but prior to the agenda conference, the Commission was notified of a possible merger between Chesapeake Utilities Corporation, the parent company of FDCUC, and FPUC. As a result, the Commission ordered FPUC to submit Minimum Filing Requirements based on a 2011 test year, within 180 days should a merger occur.

On June 17, 2009, the Office of Public Council (OPC) filed a petition protesting portions of the Commission's PAA order. FPUC filed a cross petition on

June 26, 2009. On July 27, 2009, the Commission issued an order establishing the case schedule; the technical hearing was set for December 7-9, 2009. On October 27, 2009, FPUC filed a motion seeking Commission approval of a settlement agreement with OPC. The settlement terms include the following: FPUC would be granted an increase in rates of \$7,969,000, rather than the Commission-approved increase of \$8,496,230; merger related issues would be addressed in the FDCUC's pending rate case; and any required refunds resulting from the decrease in the rate increase would be made over a period not to exceed six months.

In July 2009, FDCUC, a natural gas utility, filed its case in support of a rate increase. FDCUC requested the case be processed using the PAA procedure. In its petition, FDCUC requested and was granted interim relief of \$417,555. FDCUC requested a permanent increase of \$2,965,398, and its case is still pending before the Commission.

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

The Commission approved two determination of need petitions for power plants during 2009 and denied a natural gas pipeline need determination. No new transmission line need determinations were filed in 2009.

On September 8, 2008, JEA filed a petition for a determination of need for the conversion of two natural gas-fired simple cycle combustion turbines to a combined cycle configuration at the Greenland Energy Center generating station. The conversion will allow the capability of generating an additional 207 megawatts (MW), increasing the total net output of the generating station to 522 MW. The Commission granted JEA's petition On February 12, 2009. The conversion has a projected commercial operation date of 2013.

On September 18, 2009, Gainesville Regional Utilities (GRU) filed a joint petition with Gainesville Renewable Energy Center for a determination of need for a biomass project at GRU's Deerhaven plant in Alachua County, Florida. The proposed facility will be owned, operated, and maintained by American Renewables, LLC. The company will sell 100 percent of the facility's electric power output to GRU under a 30-year purchased power agreement. The proposed in-service date is late 2013. A formal administrative hearing on this matter was set before the Commission on December 16, 2009. The Commission is expected to vote on the petition on February 9, 2010.

On April 7, 2009, FPL petitioned the Commission to determine the need for its proposed Florida EnergySecure Pipeline, a 280-mile long, 30-inch diameter pipeline. The proposed line would have commenced in Bradford County and extended southeast to its terminus at FPL's Martin Plant site. The pipeline's initial transportation capacity was planned as 600 million cubic feet per day (MMcf/d) with an ultimate capacity of 1.25 billion cubic feet per day (Bcf/d). The Commission denied the need for the proposed project and ordered FPL to rebid the project.



The Commission determines whether proposed plants or transmission lines are cost-effective and meet projected demands for power.

Fuel Diversity

In 2008, the FPSC granted a determination of need for FPL's Turkey Point Units 6 and 7 and PEF's Levy Units 1 and 2. Both utilities filed petitions pursuant to Section 366.93, F.S., which allows early cost recovery for new nuclear power plants. FPL's Turkey Point Units 6 and 7 are scheduled to be completed in 2018 and 2020, respectively. Levy Units 1 and 2, were scheduled to be completed in 2016 and 2017, respectively; however, PEF recently announced that both units will face a minimum delay of 20 months. The Commission will continue to evaluate the cost recovery and long-term feasibility of these projects until their completion. In the interim, several interstate pipeline companies have proposed new pipeline projects and expansions to deliver natural gas to the state from diverse sources.

Nuclear Cost Recovery

In 2006, the Florida Legislature enacted Section 366.93, F.S., to encourage utility investment in nuclear electric generation by creating an alternative cost recovery mechanism. The statute directed the Commission to allow investor-owned electric utilities 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 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. FPSC-07-0240-FOF-EI, the Commission adopted Rule 25-6.0423, F.A.C., fulfilling the requirements of and implementing Section 366.93, F.S.

Pursuant to Rule 25-6.0423, F.A.C., all prudently incurred preconstruction costs will be recovered directly through the CCRC. Additionally, the rule provides for the recovery of carrying charges on prudently incurred construction costs through the CCRC. The rule also allows a utility to request an alternative cost recovery mechanism for site selection costs. Once a utility obtains an affirmative need determination for a power plant covered by Section 366.93, F.S., the affected utility may petition for cost recovery using this alternative mechanism.

On March 2, 2009, PEF filed a petition seeking review and recovery of the preceding year's costs associated with increasing the capacity of the existing nuclear generating plant Crystal River Unit 3 (CR3 uprate) and the construction of newly proposed nuclear power plant, Levy Units 1 and 2, pursuant to rule and statute. On May 1, PEF amended its petition to include estimated 2009 and projected 2010 costs for both projects. Completion of these approved projects will add 2,380 MW of new nuclear base load generation to PEF's system.

On March 2, 2009, FPL filed a petition seeking review and recovery of the preceding year's costs for uprate activities at its existing nuclear generating plants, Turkey Point Units 3 and 4 and St. Lucie Units 1 and 2 (Extended Power

Uprate Project), as well as the newly proposed nuclear power plant, Turkey Point Units 6 and 7, pursuant to rule and statute. On May 1, FPL amended its petition to include estimated 2009 and projected 2010 costs for both projects. Completion of these projects will add 2,614 MW of new nuclear base load generation to FPL's system.

Docket No. 090009-EI was opened and established for addressing the petitions of PEF and FPL. The Commission held an evidentiary hearing for the Nuclear Cost Recovery Clause (NCRC) docket on September 8-10, 2009. At the October 16, 2009 Agenda Conference, the Commission voted to approve amounts to be recovered in the 2010 CCRC.

Fuel Cost Recovery

At the November 2009 fuel hearing, the Commission addressed 2010 fuel rates for the five investor-owned electric utilities. Lower fuel prices caused FPL, PEF, Gulf Power Company, and TECO to realize decreases in fuel rates for 2010, as compared to 2009. FPUC's fuel rates for 2010 increased for its Marianna and Fernandina Beach divisions due to the increased cost of purchased power. Decreases for PEF and TECO are in addition to the mid-course decreases to fuel rates approved for these companies in 2009. FPUC-Fernandina had a mid-course increase in fuel rates in 2009.

Storm Hardening Initiatives

The FPSC conducted a Hurricane Preparedness workshop on May 6, 2009. The workshop goal was to update the FPSC regarding ongoing efforts to improve hurricane preparedness and storm hardening and to prepare for a potential storm-related disaster. Representatives of IOUs and telecommunication companies presented their ongoing efforts to enhance communication with emergency operation centers and customers, strengthen their infrastructure to improve reliability and service, and implement their ten-point storm preparedness plans. Companies discussed differences between their transmission and distribution hardening efforts and detailed specific actions taken to be ready for the hurricane season.

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 (FEECA) 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 generating technology type in a utility's Ten-Year Site Plan. In 2008, the Commission approved standard contracts for each investor-owned utility for the purchase of renewable energy. The Commission's orders were protested for both FPL and PEF on September 9, 2008, and November 13, 2008, respectively. The Commission conducted hearings in both matters and subsequently ordered both utilities to file revisions to their standard offer contracts filed for 2009. The standard offer contracts for FPL, as modified pursuant to the Commission's order, were approved on August 18, 2009. PEF's standard offer contract was approved on October 6, 2009.



Section 366.91, Florida Statutes, requires the FEECA (Florida Energy Efficiency and Conservation Act) utilities to continuously provide a contract for purchasing capacity and energy from renewable energy resources.

Interconnection and Net Metering of Customer-Owned Renewables

In April 2008, the Commission amended Rule 25-6.065, F.A.C., on interconnection and net metering for customer-owned renewable generation. The rule requires the IOUs to offer a standard interconnection agreement with an expedited interconnection process and net metering for all types of renewable generation up to 2 MW in capacity. Customers first benefit from such 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.

Section 366.91, F.S., required the municipal and rural electric cooperative utilities to offer interconnection and net metering programs for renewables by July 1, 2009. These utilities, as well as the IOUs, are required to report data annually to the Commission on renewable systems interconnected to the grid. Reports submitted in April 2009 show that the number of customers owning renewable generation systems in Florida is growing. The IOUs report that 383 customers owned solar photovoltaic systems in 2008, up from 99 in 2007. For all electric utilities, 2,830 kilowatts of solar photovoltaic capacity from 577 systems have been installed statewide. Based on an average 4 kW peak demand, these home systems provide enough power for approximately 700 households.

Renewable Portfolio Standard for Florida

The Florida Legislature enacted legislation during the 2008 Regular Session requiring the FPSC to develop a Renewable Portfolio Standard (RPS) rule. The RPS would require investor-owned electric utilities to provide a percentage of their customers' needs with renewable energy. The statute required the FPSC to submit a draft rule to the Legislature by February 1, 2009, for ratification. Subsequent to the 2008 Session, the FPSC embarked on an accelerated rulemaking process, which included public workshops in July, August, and December 2008.

In developing this RPS draft rule, the FPSC was directed to evaluate the cost and installed capacity for each renewable generation method available in Florida through 2020. To assist in accomplishing these objectives, the FPSC, in cooperation with the Florida Governor's Energy Office (GEO) and the Lawrence Berkley National Laboratory, engaged Navigant Consulting to conduct a comprehensive study assessing the potential for electric energy generation from renewable resources in Florida. Navigant Consulting's final report was submitted to the FPSC in December 2008 and provided information and data to validate the final renewable generation percentages and the timeline to meet the percentages in the FPSC's draft RPS rule.

In January 2009, the FPSC submitted to the legislature a draft RPS rule featuring a market-based approach to utility compliance, with an aggressive standard of 20 percent renewable energy by 2020. The draft RPS rule also provided for

ratepayer protections, including a two percent rate cap with close oversight by the FPSC of the compliance costs. The FPSC's draft rule was not ratified by the Legislature during the 2009 Session.

Emergency Operations Center

The Commission is designated as the Lead Response Agency for power and natural gas emergencies for the Governor's Office through the Division of Emergency Management at the state's Emergency Operations Center (EOC) for Emergency Support Function-12 Energy (ESF-12). The FPSC provides 24 hour/7 days a week staffing of the EOC during state emergencies. The primary purpose of ESF-12 is coordinating responses to electric and natural gas energy emergencies and providing information and assistance to a variety of federal and state agencies at the EOC. The Commission is also responsible for maintaining 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, 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. The EOC was activated in 2009 for tornadoes, severe weather, flooding, a hurricane, and numerous wildfires.

Conservation Activities for Electric Utilities

In order to meet the Florida Energy Efficiency Conservation Act's (FEECA) statutory requirement to review utility demand-side management (DSM) goals at least every five years, the Commission must establish new goals by January 2010. The purpose of these goals is to reduce the growth of weather sensitive peak demand, reduce annual energy use, and reduce dependency on expensive fossil fuel resources. In preparation for the new goal-setting process, beginning in 2007, the Commission conducted a series of workshops regarding energy efficiency initiatives and the new requirements in Section 366.82, F.S. On June 26, 2008, the Commission opened dockets 080407-EG through 080413-EG to review numeric conservation goals for the utilities subject to FEECA.

At the December 1, 2009 Agenda Conference, the Commission approved aggressive new goals. The Commission approved the following:

- ◆ Numeric DSM goals for Florida Power & Light, Progress Energy Florida, Tampa Electric Company, Gulf Power, and Florida Public Utilities, based on the E-TRC test and the top ten residential energy savings measures that have a two-year or less payback.
- ◆ Numeric goals for Orlando Utilities Commission and JEA based on their current programs levels so that the ratepayers of those utilities are not unduly subjected to increased rates.

- ◆ Authorization for the investor-owned utilities to spend up to ten percent of their historic energy conservation cost recovery expenditures as an annual cap for solar water heating and solar photovoltaic pilot programs.

The companies are required to file for Commission approval proposed DSM programs to meet the new goals in early 2010.

Territorial Agreements and Disputes for Electric and Gas Utilities

A territory agreement between Ocala Electric Utility and PEF was approved and an amendment to a multi-county territorial agreement between Sumter Electric Cooperative, Inc. and PEF was approved in 2009.



Changes have simplified and streamlined telecommunications rules for regulating local exchange companies.

Telecommunications

Rule Changes

In March 2008, 5 local exchange companies, Verizon Florida, AT&T Florida, CenturyLink,¹ Quincy Telephone, and Windstream Florida filed a Joint Petition requesting that the Commission adopt a new rule on competition and clarify, repeal, or amend 66 rules. The petitioners asserted that with increased customer use of wireless, cable telephony, and Voice over Internet Protocol (VoIP), many of the rules were no longer warranted. In response, the Commission reviewed all the rules in Chapters 25-4, 25-9, and 25-14, F.A.C. During the proceeding, the petitioners withdrew their request for the new rule and the amendment or repeal of seven other rules. Due to the number of rules under consideration, staff filed three separate recommendations which were addressed by the Commission on August 19, 2008, November 13, 2008, and January 6, 2009. In addition, two staff workshops and one Commissioner workshop were held to review and discuss the proposed rule changes.

By its decisions in Docket Nos. 080159-TP and 080641-TP, the Commission has exempted the price regulated local exchange companies from 33 rules, repealed 16 rules, amended 20 rules, and taken no action on 1 rule. Of the 20 rules amended, the companies either proposed or agreed to most of them. The rule changes have decreased the reporting requirements of the companies, eliminated duplicative rules, limited the applicability of certain rules to residential customers, and allowed the companies to consolidate reporting for installation service, repair service, and answer time. Also, several rule changes were made to adopt the Federal Communications Commission's standards when similar to Florida's rules. Overall, the changes have resulted in simplified and streamlined rules for regulating local exchange companies.

Due to changes in Chapter 364, F.S., passed by the Legislature in 2009, amendments were made to five of the rules which were previously addressed by the Commission at the January 9, 2009 Agenda Conference. The primary change to limit certain rules only applies to customers who receive basic local telecommunications services.

¹Formerly known as Embarq Florida, Inc.

ILEC Wholesale Performance Measures

In Docket No. 000121-TP, the Commission developed wholesale performance measurement plans for the ongoing evaluation of operations support systems (OSS) provided by incumbent local exchange carriers (ILECs) for competitive local exchange carrier (CLEC) use. The performance measurement plans provide a standard against which CLECs and the Commission can measure performance over time to detect and correct any degradation of service provided to CLECs. The Commission adopted performance measurements for AT&T in August 2001, for CenturyLink in January 2003, and for Verizon in June 2003.

For AT&T, the Commission adopted a Performance Assessment Plan comprised of a Service Quality Measurement Plan (SQM) and a Self-Effectuating Enforcement Mechanism (SEEM) Administrative Plan. The SQM is a detailed Telecommunications description of AT&T's wholesale performance measurements. Under the SEEM Plan, payments are made by AT&T if the company fails to meet performance standards for key measurements as set by the Commission. AT&T's current Performance Assessment Plan consists of 49 measurements, with each related to a specific portion of AT&T's Operations Support Systems. AT&T's SEEM Plan includes 32 measures. From January through August 2009, AT&T paid \$943,269 in SEEM remedies to CLECs and the State of Florida. AT&T furnishes monthly performance reports to the Commission for review and assessment.

In May 2009, staff initiated a review of the Performance Assessment Plan to gauge the effectiveness of AT&T's performance measures and to determine whether the current remedy structure is effective in driving AT&T's performance toward the required standards. Staff requested comments from parties regarding needed changes to the Performance Assessment Plan. Proposed revisions were filed in July 2009. Parties worked together to agree on proposed revisions during the months of August through October 2009, and staff conducted a workshop in November 2009. More workshops will be held to raise specific issues and to propose changes that constitute reasonable solutions. Staff anticipates completion of the review in the first quarter of 2010.

For CenturyLink, the Commission adopted a Performance Measure Plan in 2003. The current plan, effective January 2007, is the result of a staff-initiated review in October 2006 to assess proposed changes to the 2003 plan. CenturyLink's current plan contains 44 measures to ascertain if the ILEC is providing nondiscriminatory service to CLECs. CenturyLink furnishes monthly performance reports to the Commission for review and assessment.

Verizon operates in Florida under a common set of performance and administrative measures contained in a Joint Partial Settlement Agreement derived from a process in California and used, with some state-specific variations, in several states. Verizon's current plan contains over 40 measures to determine if the ILEC is providing nondiscriminatory service to CLECs. Verizon furnishes monthly performance reports to the Commission for review and assessment.



Commission staff evaluates the quality of service provided by telecommunications companies and conducts periodic on-site inspections of telecommunications facilities.

Service Quality

Three of Florida's ILEC's, AT&T Florida, CenturyLink, and Windstream Florida, operate under Commission approved service guarantee programs (SGPs) applicable to residential service. The SGPs provide for an automatic credit to a residential customer's account when installation or out-of-service repair objectives do not meet standards. The SGPs also call for payments to be deposited into a Community Service Fund (CSF) when business office or repair center answer time requirements are not met. The CSF funds are used to promote the telephone Link-Up Florida (Link-Up) and Lifeline Assistance (Lifeline) programs.

For fiscal year (FY) 2009 (July 2008-June 2009), AT&T Florida credited over \$216,600 to its residential customers when it failed to meet the agreed upon installation date for initial service. In addition, for those customers experiencing out-of-service outages greater than 24 hours, it credited over \$1,741,562. For those instances where AT&T failed to meet the answer time objective of the SGP, it credited \$4,000 to its CSF to promote the Lifeline and Link-up programs. Overall, AT&T credited its residential customers \$1,962,162 under its SGP.

CenturyLink credited customers \$227,800 in FY 2009 for missing installation appointments and \$338,440 for out-of-service repairs that extended beyond 24 hours. For missing the SGP answer time requirements, CenturyLink placed \$74,000 in a CSF that is used to promote CenturyLink's Lifeline and Link-Up programs. Overall, CenturyLink credited customers or placed funds in the CSF totaling \$640,240.

During this same period, Windstream credited \$852 to its residential customers when it failed to install service on the agreed upon date, and it credited customers \$4,836 for out-of-service repairs that extended beyond 24 hours. The Windstream SGP also included credits to a CSF used to promote its Link-Up and Lifeline Assistance programs. The CSF received \$46,000 for FY 2009 when the company's answer time for the business and repair offices fell below 90 percent. The Windstream SGP resulted in \$51,688 in FY 2009 in customer credits or payments to the CSF when it failed to meet the service guarantee objectives within the program.

A Telecommunications Service Quality Report for TDS Telecom/Quincy Telephone (TDS) was issued on September 1, 2009. The report identified several findings that require further investigation and reporting by TDS. The findings included rebates that are required by rule when customers experience an out-of-service condition greater than 24 hours. Staff identified 219 rebates of which only 22 were rebated to customers. In addition to service requirements set by rule, TDS' tariff also states its customers are entitled to additional credits when TDS fails to install or repair service within the terms and conditions of the tariff. Staff found 224 service installation credits were due but only 34 were automatically credited to customer accounts. For being out of service greater than 24 hours, 219 tariff service guarantee credits were due but only 41 were credited to TDS' customers.

Telecommunications Service Quality Reports were issued for AT&T Florida on July 28, 2009, for Verizon Florida on September 2, 2009, and for CenturyLink on October 14, 2009. All of the findings were corrected by the respective incumbent local exchange company.

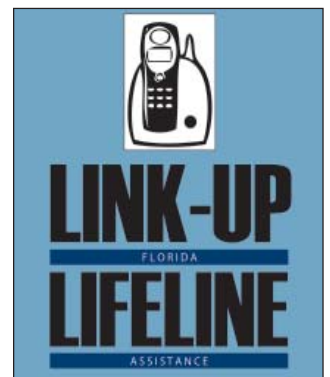
On August 18, 2009, the Commission accepted TCG Public Communications, Inc.'s offer to submit a payment of \$1,250,000 for deposit into the General Revenue Fund and to implement specific monitoring commitments to ensure continuing compliance with Commission rules governing inmate telephone operations at the Miami-Dade Correctional Facilities. To minimize premature disconnection of legitimate collect calls and to maintain the security threshold, TCG replaced the three-way call detection system at the Miami-Dade Correctional Facilities.

On November 10, 2009, the FPSC approved a joint agreement requiring Verizon Florida LLC to pay \$1.75 million in reimbursements to residential customers for service failures, \$125,000 to fund outreach for Lifeline/Linkup services for low-income customers, and \$125,000 for the state's General Revenue Fund. The agreement was the result of negotiations by Verizon, Florida's Office of the Attorney General, the Office of Public Counsel, and the AARP to settle charges that the company failed to meet service standards in 2007 and 2008. The agreement settles Verizon's apparent violations of Rule 25-4.070 of the Florida Administrative Code for residential customer trouble reports for local telecommunications service.

Link-Up and Lifeline Service for Low-Income Consumers

In May 2003, the national Tele-Competition Innovation and Infrastructure Enhancement Act of 2003 became law. The 2003 Act requires that each state agency that provides benefits to people eligible for the Lifeline Assistance Program (Lifeline) shall, in cooperation with the Department of Children and Families (DCF), the FPSC, and telecommunications companies providing Lifeline service, develop procedures to promote participation in Lifeline. In July 2003, the FPSC initiated a joint Lifeline project with other state and federal agencies, organizations, and ILECs to implement the new statutory requirements. Senate Bill 1322 was signed into law in 2005, expanding the 2003 Act to include the Department of Education and the Office of Public Counsel (OPC).

The Florida Link-Up and Lifeline programs are part of the federal Universal Service Program designed to enable low-income households to obtain and maintain basic local telephone service. Lifeline provides a \$13.50 discount on the monthly telephone bill of eligible subscribers. Link-Up, a companion program, provides a 50 percent reduction in the telephone service initial installation charge for a traditional landline phone or activation fee for a wireless phone, up to a maximum \$30 reduction. Eligibility for both the Link-Up and Lifeline program in Florida can be met through program-based criteria such as food stamps or Medicaid, or income-based criteria determined on the Federal Poverty Guidelines.



Link-Up Florida and Lifeline Assistance are programs designed to ensure that the initial telephone hook-up and monthly service remain affordable for all residents of Florida.

The FPSC continued to work with other agencies, organizations, and companies to promote the Link-Up Florida and Lifeline Assistance programs in 2009. Promotional activities featured National Lifeline Awareness Week, National Consumer Protection Week, the Connect Florida Campaign, and ongoing grass roots efforts to increase awareness and enrollment in the programs. National Lifeline Awareness Week, September 14-20, 2009, aimed to increase awareness among citizens receiving assistance from the Low-Income Home Energy Assistance Program (LIHEAP) and other programs through Florida's community action agencies. Three Lifeline events were held September 14-20, 2009, to sign up Florida citizens eligible for Link-Up and Lifeline. In addition, packets of Lifeline brochures and applications were mailed to 47 community action agencies and area agencies on aging around the state to request their help in promoting Lifeline Awareness Week. During National Consumer Protection Week, March 1-7, 2009, the Commission partnered with WORKFORCE *plus* to help provide one-on-one assistance to consumers desiring to enroll in Link-Up and Lifeline at these events.

A complete list of the Lifeline Partners assisting the FPSC with Lifeline promotional efforts and additional information about the 2009 activities 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's Web site at <http://www.PSC.state.fl.us/publications/pdf/telecomm/tele-lifelinereport2009.pdf>.

The number of eligible customers participating in the Lifeline program in Florida grew 236 percent during the July 2008 through June 2009 annual review period. As of June 2009, 618,774 eligible customers participated in the Lifeline program, up from 183,972 in June 2008. SafeLink, AT&T Florida² (AT&T), and CenturyLink experienced the largest increases in Lifeline participation among Florida's Eligible Telecommunications Carriers (ETCs) during the July 2008 through June 2009 review period. SafeLink, which began providing Lifeline service in September 2008, had 393,036 Lifeline customers as of June 30, 2009. AT&T's participation increased by 21,584 customers, and CenturyLink increased its Lifeline participation by 5,052 customers. Verizon experienced the largest net loss of Lifeline customers at 1,804 customers.

Consistent with 2008, the primary reason for the increase in Lifeline participation has been the automatic enrollment process initiated by the FPSC and the DCF and the significant enrollment of new Lifeline customers by SafeLink. Enrollment of new Lifeline customers by competitive ETCs continues to have a positive impact. Additionally, staff anticipates that Lifeline enrollment of new customers will continue to grow with respect to the current economic conditions. In total, non-incumbent local exchange carrier Lifeline enrollment³ was 422,322 customers, including 393,036 customers from SafeLink. SafeLink represented 64 percent of the total Lifeline customer enrollment of 618,774 as of June 30, 2009.

² Formerly known as BellSouth.

³ Non-ILEC Lifeline enrollment includes competitive ETC and non-ETC reseller enrollment.

The following 21 companies have received ETC status in Florida and participate in the Lifeline Program:⁴

- ◆ AT&T
- ◆ Verizon
- ◆ CenturyLink
- ◆ FairPoint Communications
(formerly GTC, Inc.)
- ◆ Windstream
- ◆ TDS Telecom
- ◆ NEFCOM
- ◆ Frontier
- ◆ ITS Telecom
- ◆ Smart City
- ◆ ALLTEL Communications⁵
- ◆ Sprint-Nextel
- ◆ Knology of Florida, Inc.
- ◆ Budget Phone, Inc.
- ◆ Nexus Communications, Inc.
- ◆ Ganoco, Inc. d/b/a American Dial Tone
- ◆ Midwestern Telecommunications, Inc.
- ◆ dPi Teleconnect, LLC
- ◆ TracFone d/b/a SafeLink Wireless
- ◆ FLATEL
- ◆ Express Phone Service, Inc.

Key developments impacting Florida's Lifeline Program during 2009 are presented below by category.

Florida Legislature

Revision to Chapter 364.10, F.S. Section 364.10(3)(a), F.S., was revised during the 2009 Legislative Session to require each Incumbent Local Exchange Carrier (ILEC) that has more than 1 million access lines and that is designated as an ETC shall provide Lifeline service to any customer who meets an income eligibility test of 150 percent or less of the federal poverty income guidelines. The previous income eligibility test was at 135 percent or less of the federal poverty guidelines. This legislative change will serve to increase the number of households eligible to participate in the Lifeline program.

Florida Public Service Commission

Proposed amendment of Rule 25-4.0665, F.A.C., Lifeline Service

Section 364.10(3)(h)(2), F.S., requires any state agency that determines a person is eligible for Lifeline service to immediately forward the information to the FPSC to ensure that the person is automatically enrolled in the Lifeline program. The FPSC adopted rules in 2007 creating procedures to automatically enroll eligible customers in Lifeline service.

During 2009, the FPSC, in its ongoing effort to explore ways to strengthen the Lifeline program, conducted additional Lifeline rulemaking to address certification, verification, data reporting, and other key Lifeline issues. The Proposed Lifeline Rules will be considered by the Commission at the December 1, 2009 Agenda Conference.

⁴ The FCC designated Alltel Communications and Sprint Nextel as ETCs. The remaining ETCs were designated by the FPSC.

⁵ On January 9, 2009, Alltel Communications, LLC, formerly Alltel Communications, Inc., became a subsidiary of Cellco Partnership d/b/a Verizon Wireless and upon billing conversion, assumed the name of Verizon Wireless.



FPSC staff works with the DEP in implementing drought pricing measures .

Bundled Packages

Docket No. 080234-TP addresses the application of the Lifeline discount to bundled service packages. Currently, ETC policies within Florida differ as to whether the Lifeline discount applies to bundled service packages. Some ETCs provide Lifeline consumers with the option to subscribe to any bundled package while others reject the applications of Lifeline consumers subscribing to bundled services. Other ETCs engage in procedures informing consumers of limited plans for Lifeline, giving customers the only option of subscribing to a basic service.

By Order No. PSC-08-0417-PAA-TP, issued June 23, 2008, the Commission clarified that pursuant to 47 C.F.R. §54.403(b) and consistent with Chapter 364, F.S., ETCs are required to apply the Lifeline discount to the basic local service rate or the basic local service rate portion of any service offering which combines both basic and nonbasic service.

Verizon, Nextel Partners and Sprint, and Alltel Communications, LLC each requested a formal proceeding in protest of the FPSC's order. The Office of Public Counsel filed a Notice of Intervention in support of the FPSC's order. A formal hearing was held on March 2, 2009.

On July 27, 2009, the Prehearing Officer issued Order No. PSC-09-0522-PCO-TP granting the parties the opportunity to file supplemental post hearing briefs to address the impact of changes to Chapter 2009-226, Laws of Florida, amending Chapter 364, F.S.

On October 28, 2009, Verizon, Attorney General Bill McCollum, the Citizens for the State of Florida, and AARP filed a joint motion seeking Commission approval of a settlement agreement to resolve the issues in Docket No. 080278-TL. Also, the settlement agreement proposed resolutions for Issues 1 and 3⁶ in Docket No. 080234-TP. At the November 10, 2009 Agenda Conference, the Commission voted to accept the settlement offer, including Verizon's commitment to provide Lifeline discounts to all eligible customers who request the discount and receive regulated telecommunications service packages.

Rule Development Concerning the Eligibility Requirements for a Common Carrier Desiring Designation as an Eligible Telecommunications Carrier in Florida (Undocketed)

A staff workshop was held on August 11, 2009, to discuss preliminary rule language concerning the eligibility requirements for a common carrier desiring designation as an eligible telecommunication carrier in Florida. Post workshop

⁶ Issue 1: Under applicable law, may the Commission require Florida ETCs that charge federal End User Common Line charges, or equivalent federal charges, to apply the Lifeline discount to bundled service offerings which include functionality that is comparable to that described at 47 CFR 54.101(a)(1)-(9) or Section 364.02(1), Florida Statutes?

Issue 3: Should the Commission require each Florida ITC that charges federal end User Common Line charges or equivalent federal charges, to apply the Lifeline discount to its bundled services which include functionality that is comparable to that described at 47 CFR 54.101(a)(1)-(9) or Section 364.02(1), Florida Statutes?

comments were filed by interested parties on September 14, 2009. The draft rule will be considered by the Commission in 2010.

ETC Petitions

Considerable activity occurred in response to formal ETC petitions filed with the FPSC for consideration. In total, 11 CLEC ETC petitions and 3 wireless ETC petitions were filed with the FPSC in 2009. Currently, 21 ETCs are providing Lifeline in Florida. Based on the present trend of applications filed with the FPSC, staff anticipates that the number of ETCs in Florida will increase.

Service Guarantee Program

On September 29, 2009, AT&T filed a petition for modification of the Service Guarantee Program in Docket No. 090461-TL. The modification addressed the situation of Answer Time-Residence Business Office and Residences Repair Office; specifically, AT&T will credit the Lifeline Community Service Fund for disposition based on the non-achieved monthly answer time measurement requiring at least 90 percent of the calls to the company's business office and repair office be answered by the live attendant prepared to give immediate assistance within 90 seconds of being transferred.

Expedited Approval of Lifeline Outreach Funding and for Modification of SEEM Penalty Payments

On October 16, 2009, AT&T filed a petition⁷ which addresses operations support systems permanent performance measures for incumbent local exchange telecommunications companies. The FPSC is currently conducting an annual review of the Service Quality Measurement Plan and Self-Effectuating Enforcement Mechanism Plan. In the context of this modification, AT&T has asked that certain administrative penalty payments be eliminated. If the FPSC enters an Order eliminating these penalties, and upon that Order becoming final and non-appealable, AT&T Florida will make a one-time \$250,000 contribution to the AT&T Community Service Fund (CSF), which principally funds the outreach efforts of the Lifeline Assistance and Link-Up programs. The AT&T CSF has become exhausted.

The need for Lifeline Assistance continues to grow in Florida. According to the U.S. Department of Agriculture Report ending June 30, 2009, Florida had 1,070,307 households participating in the Food Stamp Program, compared to the June 30, 2008, figure of 788,777, which represents the fourth largest nationwide percentage increase of 36 percent⁸ in households over the previous year. The Food Stamp Program continues as the largest residential qualifying program for Lifeline Assistance in Florida.

⁷ Docket No. 000121A-TP, *Investigation into the establishment of operations support systems permanent performance measures for incumbent local exchange telecommunications companies.*

⁸ <http://www.fns.usda.gov/pd/30SNAPcurrHH.htm>

Federal Activity

The Florida Public Service Commission takes an active role in monitoring federal telecommunications issues. Chapter 364.012, F.S., encourages participation in proceedings of federal agencies in cases that may affect Florida consumers in order to convey the FPSC's policy positions. The Commission files comments with the Federal Communications Commission (FCC) in response to FCC actions that can affect Florida citizens.

Water and Wastewater

The Governor's Drought Action Plan / Water Conservation Initiative

Renamed Conserve Florida, the Statewide Conservation Initiative continues to explore ways to encourage utilities to implement cost-effective conservation. In 2003, the Department of Environmental Protection, the five water management districts, the Florida Public Service Commission, the Utility Council of the American Water Works Association (Florida Section), the Utility Council of the Florida Water Environment Association, and the Florida Rural Water Association signed a Joint Statement of Commitment (JSOC) to develop such a program. Subsequent to the signing of the JSOC, and based upon it, the 2004 regular session of the Florida Legislature enacted House Bill 293. The bill creates new Section 373.227, F.S., encouraging the use of efficient, effective, and affordable water conservation measures, and states that a goal-based, accountable, and tailored water conservation program should be emphasized for public water supply utilities in cooperation with the water management districts and other stakeholders.

As a result of the legislative mandates, Conserve Florida contracted with the University of Florida (UF) to establish and maintain a Web-based program to assist utilities in designing cost-effective water conservation programs and to compile a technical library to further water conservation research. The interactive conservation program combines utility specific data and historical program costs, penetration rates, and water savings to design an optimal menu of water conservation programs to assist the utility in meeting its goals, whether internal or mandated by the Water Management Districts. Cost and savings data for each measure will be continually updated as additional utilities implement programs and report results. Regular cost updates streamline the process of investigating individual conservation programs, which may be cost-prohibitive for small utilities. Work continues to make the program more user-friendly to encourage wider application. In addition, Conserve Florida works with UF to design research projects to enhance conservation efforts in conjunction with the UF Water Institute.

In response to the serious water shortage in the state, the Department of Environmental Protection issued Recommendations for a Drought Resistant Florida 2007. The report addressed a wide variety of water conservation measures including the concept of drought pricing. Drought pricing would impose a surcharge in areas experiencing extreme water shortages. FPSC

staff, as financial regulators, continue to work with the DEP in implementing any drought pricing measures adopted, consistent with the statutory requirements in Chapter 367, F.S.

Water and Wastewater Rate Cases

Similar to prior years, the Commission processed a large number of water and wastewater rate cases. Of these cases, 17 were processed as staff assisted rate cases pursuant to Chapter 367.0814, F.S. Among these Class "C" utilities were Keen Sales, Rental and Utilities, Inc.; Mobile Manor Water Company, Inc.; W.P. Utilities, Inc.; Damon Utilities, Inc.; and Fairmont Utilities, the 2nd, Inc.

In addition to the staff-assisted rate cases, the Commission processed 15 rate cases filed by larger water and wastewater companies. These cases included Placid Lakes Utilities, Inc.; Lake Utility Services, Inc.; Labrador Utilities, Inc.; and Tierra Verde Utilities, Inc.

Aqua Utilities Florida, Inc. (Aqua) filed a petition in 2008, requesting to increase its water and wastewater rates and charges. Aqua's rate case consisted of 82 separate systems in 16 counties throughout Florida. While Aqua requested increases of \$4,518,358 for water and \$3,856,180 for wastewater, the Commission approved increases of \$3,338,857 for water and \$2,689,723 for wastewater, for a total increase of \$6,028,580.

During 2009, the Commission processed two other formal cases: Application for a Limited Proceeding Rate Increase by Alafaya Utilities, Inc. and Application for a Limited Proceeding Rate Increase by Cypress Lakes Utilities, Inc. The Commission also processed three formal tariff filings.

In 2009, staff continued to perform its normal surveillance of the earnings levels of water and wastewater companies regulated by the FPSC. The Commission also processed 72 index applications and 16 pass-through applications for water and wastewater companies.

Water and Wastewater Certification Cases

Original certificates were approved for Cedar Acres, Inc. and TLP Water, Inc., and their existing rates and charges were continued. Sun River Utilities, Inc. was granted multi-county certificates to provide water and wastewater service in Charlotte and DeSoto Counties, and its existing rates and charges were continued. St. Johns County transferred jurisdiction to the Commission, effective January 16, 2009. Camachee Island Company, Inc. d/b/a Camachee Cove Yacht Harbor Utility and North Beach Utilities, Inc. were granted grandfather certificates to continue to provide service in St. Johns County. Hardee County also transferred jurisdiction to the Commission, effective October 26, 2009.

Amendments of territory were granted to Alafaya Utilities, Inc.; Aqua Utilities Florida, Inc.; Gold Coast Utility Corp.; Lake Utility Services, Inc.; North Fort Myers Utility, Inc.; North Peninsula Utilities Corp.; Orangewood Lakes Services,

Inc.; Sanlando Utilities Corp.; Silver Lake Utilities, Inc.; and Tradewinds Utilities, Inc. In addition, a deletion of territory and cancellation of certificates was granted to Grove Utilities, Inc.

Certificate transfers were approved for Par Utilities, Inc. and Wedgefield Utilities, Inc. Aloha Utilities, Inc. was transferred to the Florida Governmental Utility Authority; Ferncrest Utilities, Inc. was transferred to Tindall Hammock Irrigation and Soil Conservation District; and Key Haven Utility Corporation was transferred to the Florida Keys Aquaduct Authority. Laniger Enterprises of America, Inc.; Miles Grant Water and Sewer Company; and Utilities, Inc. of Hutchinson Island were transferred to Martin County.

The abandonment of West Lakeland Wastewater, Inc. and appointment of a receiver to operate the system was acknowledged. The abandonment of Landmark and transfer to the City of Sebring and the transfer of a portion of Highlands Utilities Corporation to the City of Sebring were acknowledged.

IV Agency Organization

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

The FPSC consists of members 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 conferred on the Commission the responsibility of regulating telephone and telegraph companies.
- ◆ In 1929, jurisdiction was given 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. A list of all past and present Florida Public Service Commissioners follows at the end.



FPSC Commissioners are selected for their knowledge and experience in economics, accounting, engineering, finance, natural resource conservation, energy, public affairs, and law.



Apryl Lynn

Division of Administrative Services

The Division of Administrative Services oversees all financial transactions and maintains the Commission's accounting records, which are handled primarily in the *Fiscal Services Section*. The division coordinates and prepares the Commission's Legislative Budget Requests, monitors the operating and non-operating budgets, and prepares budget amendments as necessary. 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, variable work week schedules, employee relations, payroll, insurance, and other employee benefit programs.

The division's *Bureau of General Services* manages the *Facilities Management and Purchasing Section* and the *Imaging and Distribution Center*. The bureau processes all agency purchasing, security and safety issues, leasing, surplus property, and fleet management. Administrative support is also provided in the areas of imaging, duplicating, mail distribution, audio-visual, hearing and conference room operations, telephones, and fax systems. Additionally, the division manages the agency-wide administrative procedures manual and forms inventory/tracking programs.



Beth Salak

Division of Regulatory Analysis

The Division of Regulatory Analysis is responsible for the FPSC's long range program planning, including the critical assessment of the evolving utility industry and development of strategies that most benefit Florida's citizens. RAD is responsible for implementing and enforcing energy policy enacted by the Florida Legislature and the U.S. Congress, which affects electric and gas utilities in Florida. RAD monitors and facilitates the development of competitive markets in the telecommunications industry. Additionally, RAD assesses the status and progress of competition within the telecommunications industry and analyzes policy relating to the adequacy, quality, and affordability of Florida's water resources. RAD also serves as a liaison with federal regulatory agencies, state agencies, and the Florida Energy and Climate Commission.

The *Strategic Analysis Section* assesses developing energy policies and prepares strategy alternatives for consideration by the Commission. This section participates in special studies concerning energy policy, develops discussion papers, and analyzes alternative regulatory approaches for energy policy. The section provides support to Commissioners for National Association of Regulatory Utility Commissioners (NARUC) activities pertaining to climate control, conservation, and renewables, as well as technical support to other staff.

The *Energy Resource Planning Section* is responsible for docketed matters pertaining to demand-side conservation, supply-side generation, and transmission expansion. This section develops and implements conservation goals for FEECA and analyzes cost-effective utility programs designed to meet those goals. This section analyzes cogeneration and renewable generation pur-

chased power contracts; electric utility ten-year generation and transmission site plans; power plant and transmission line need determinations, including the prudence and cost-effectiveness of utility bidding practices for alternative supply-side resources; and intrastate gas pipeline need determinations. As the liaison with the Florida Reliability Coordinating Council, this section monitors the Planning and Operating Committees and the implementation of capacity and fuel emergency plans. This section also provides support to Commissioners for NARUC activities pertaining to nuclear waste disposal.

The *Special Studies Section* compiles, analyzes, and reports data pertaining to the status of competition in the telecommunications industry in Florida. This section also provides technical support in docketed matters regarding the telecommunications industry, acts as a technical liaison with the Universal Service Joint Board of the Federal Communications Commission, and provides Commissioner support for NARUC activities pertaining to telecommunications. Issues affecting the water and wastewater industry are analyzed, and the section also prepares technical analyses of special projects for all industries (i.e., electric, telecommunications, and water and wastewater).

The *Intercarrier Services Section* sets prices and requirements for wholesale offerings (i.e., unbundled network elements and resale) in either an arbitration or a generic proceeding. This section arbitrates operational issues between incumbent local exchange companies (ILECs) and competitive local exchange companies (CLECs) that cannot be resolved by the parties and also resolves complaints of an interpretive nature pertaining to existing contracts. The section also processes ILEC, CLEC, and interexchange company (IXC) schedules of rates and terms, price list filings, and negotiated agreements.

The *Compliance and Certification Section* processes all certification/registration filings, including new certificates/registrations, name changes, transfers, and cancellations for ILECs, CLECs, IXCs, pay telephone service (PATs) providers, alternative access vendor (AAVs), and shared tenant service (STS) providers. The section also monitors company compliance with various FPSC rules and initiates action if warranted.

The *Market Practices Section* processes cases involving area code relief, number conservation plans, reclaiming numbering resources from carriers that have failed to activate central office codes, numbering code denials, and cases involving alleged barriers to entry. The section addresses issues related to local number portability, the Lifeline Assistance Program, and eligible telecommunications carrier designations. The section also prepares the *Annual Report on the Status of the Telecommunications Access System Act of 1991* and the *Annual Report on Link-Up and Lifeline Assistance*.



Marshall Willis
(Acting Director)

Division of Economic Regulation

The Division of Economic Regulation investigates the earnings of rate base regulated companies and also works to resolve consumer complaints concerning service quality and billing issues in the electric, natural gas, and water and wastewater industries. This division makes recommendations concerning electric utility cost recovery clauses and depreciation practices of electric and gas utilities.

The *Bureau of Rate Filings, Surveillance, Finance, and Tax* is responsible for reviewing the revenue requirements of rate base regulated utilities. It processes rate cases and monitors earnings for these industries. Processing earnings cases includes analyzing filings, expert testimony, and exhibits; developing cross-examination questions and presenting staff testimony; holding customer meetings; and preparing and presenting recommendations to the Commission. This bureau manages the annual report process including all mailings, extensions, filings, delinquency notices, penalty letters, and show causes; reviews the regulatory assessment fee (RAF) returns of utilities; and processes storm cost recovery and associated securitization filings. Other responsibilities include processing security applications for investor-owned natural gas and electric utilities, evaluating requests for corporate undertaking from water and wastewater utilities, and calculating the interest on refunds.

The *Bureau of Certification, Economics, and Tariffs* is responsible for certification filings and tariff filings for water and wastewater companies. In proceedings such as rate cases or electric plant need determination cases, the bureau focuses on analyzing any economic or demographic forecast issues, developing rates and rate structure by customer class, and estimating any repression effects on customer demand resulting from higher rates. In addition to rate case activity, this bureau analyzes rate structure for municipal electric utilities and rural electric cooperatives and also makes recommendations on electric utility territorial agreements and disputes. This bureau is involved in rate and rate structure issues such as billing practices, master metering, reconnect policies, cost recovery clauses, and merger effects on rates.

The *Bureau of Cost Analysis and Recovery* makes recommendations to the Commission on electric utility fuel, purchased power, capacity, nuclear construction, and environmental cost recovery petitions and administers a power plant efficiency incentive factor as part of the fuel clause. This bureau also makes recommendations to the Commission regarding the purchase gas adjustments (PGA) of local distribution companies (LDC) and conservation cost recovery petitions by electric and gas utilities. Analyzing storm hardening plans, as well as depreciation and cost studies, come under this bureau's responsibility.

Division of Service, Safety and Consumer Assistance

The Division of Service, Safety and Consumer Assistance evaluates electric and gas safety, evaluates the service quality of telecommunications companies and the relay provider, conducts compliance investigations, and responds to consumer complaints. The division oversees Commission processes and assists in responding to surveys and questionnaires.

The *Bureau of Safety's* functions are performed out of three district offices: Tallahassee, Miami, and Tampa. The bureau conducts safety evaluations of natural gas pipeline operations and new electric construction in Florida. The bureau also leads the Commission's participation in the State's Emergency Operations Center (EOC) activities, gathering and disseminating information regarding electric utility and natural gas issues during an EOC activation.

The *Bureau of Service Quality* conducts periodic on-site inspections of electric and telecommunications facilities, including the relay service provider. This bureau also resolves conflicts arising from changes in telecommunications service providers and identifies and addresses anti-competitive activities.

The *Bureau of Consumer Assistance* receives, processes, and resolves customer complaints and informal disputes between consumers and utilities. Customers may file complaints through a toll-free telephone number to the bureau's call center or by mail, facsimile, or e-mail.

Office of the Commission Clerk

The Office of Commission Clerk functions as the official keeper of the Commission's public records and is responsible for coordinating requests for information. It records, prepares, and maintains the official minutes of Commission conferences and internal affairs meetings. The office is authorized to issue subpoenas in proceedings before the Commission and is responsible for preparing, certifying, and transmitting records on appeal and for issuing non-Commissioner signed orders and notices. The Commission Clerk, designated as the Agency Clerk and the Department of State Records Management Liaison Officer, coordinates the FPSC's records management program.

The *Documents Section* accepts and certifies official filings, maintains official docket files, invoices for services, and upon applicable payment, provides the responsive documents. This section establishes and maintains the mailing list of parties and people interested in Commission proceedings and ensures the integrity of the electronic docket, which is available internally from the Case Management System (CMS) as well as from the FPSC Web site.

The *Scheduling and Reports Section* prepares and notices Commission conferences, internal affairs meetings, workshops, and rulemaking in the *Florida Administrative Weekly*. This section establishes the Commission calendar for all official appearances, including hearings, pre-hearings, internal



Dan Hoppe



Ann Cole

affairs meetings, agendas, and special agendas. It also schedules and arranges meetings, coordinates the scheduling dates for the Commissioners, maintains the calendar of Commission activity, and issues reports.

The *Case Management Review Section* manages CMS by coordinating activities, including case closure, statistical and management reports, quality review, and provides notification to Commission employees regarding the adoption of new or amended rules. This section maintains the Master Commission Directory (MCD) of utilities.

The *Hearing Reporter Services Section* records and prepares the official transcripts of hearings, depositions, agenda conferences, and workshops for placement in the official record and for distribution to participants. The hearing reporters attend all FPSC hearings, both in Tallahassee and throughout the state, and receive exhibits for official filing.

Office of the General Counsel

The Office of the 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.

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 direction of the Commission. Reviews of procurement contracts; counsel to the Commission on personnel, contractual, public records, and other administrative legal matters; and mediation services to parties of Commission proceedings are also offered.

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.

In addition, GCL is the liaison with the Florida Legislature on all matters affecting FPSC program areas and also serves as a liaison with federal regulatory agencies, state agencies, and the Florida Energy and Climate Commission.



Curt Kiser

Office of Information Technology Services

The Office of Information Technology Services monitors and evaluates the information processing needs of the FPSC, proposing enhancements to information, processing resources to management, and providing technical support services for the FPSC.

Office of Inspector General

The Office of Inspector General is established by law to provide a central point for coordination of activities that promote accountability, integrity, and efficiency in government. Reporting directly to the Chairman, the office's major 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 ensure that identified deficiencies are addressed. These activities help management ensure that Commission programs perform as intended and that fraud or abuse is detected and eliminated. By reducing risks of nonperformance in Commission operations, the office promotes the Commission's ability to ensure accountability and achieve its mission and goals.

Office of Public Information

The Office of Public Information is the Commission's liaison with the public and the media. The office monitors the daily reporting activities of the state, regional, and national media outlets to ensure that timely, accurate information regarding Commission decisions is disseminated to the public. The office writes and distributes the agency's news releases, maintaining a familiarity on a broad array of dockets, issues, and related activities affecting ratepayers or having media interest. This office is also responsible for selecting locations for customer service hearings and coordinating consumer outreach and media at customer meetings and service hearings.

Public Information staff implement annual outreach events (National Consumer Protection Week, National Lifeline Awareness Week, and Library Outreach) throughout the state to help inform consumers about their utility services and ways to manage utility costs. This office also attends Lifeline events at senior centers, neighborhood meetings, and other venues; produces and edits a number of agency reports; manages the Commission's Resource Center; processes submissions to the Web site; and designs original artwork and layout for bulletins, brochures, reports, and special events.



Lee Kissell



Steven Stolting



Cynthia Muir



Dale Mailhot

Office of Auditing and Performance Analysis

The Office of Auditing and Performance Analysis conducts audits and reviews in all industries.

The *Performance Analysis Section* reviews utility performance and operations, investigates and documents current processes and results, and identifies areas for improvement. These reviews may be limited to one company or made on a comparative basis between several companies. Areas for investigation include competitive performance analysis, electric reliability, service quality, service availability, systems analysis, and consumer protection. Also, special investigations are conducted relating to systemic utility fraud such as slamming and cramming. This section reviews wholesale service quality performance measures that relate to the operations support systems (OSS) provided by AT&T, Verizon, and CenturyLink to CLECs.

The office's *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 the FPSC with an independent verification of the supporting documentation for any statements or filings made by the 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 utility-related expenses. For auditing purposes, this division operates out of three district offices in Tallahassee, Miami, and Tampa.

Florida Public Service 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, recreated 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. Blicht	
Newton A. Blicht	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 - 01/01/2013		Bush/Crist
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. McMurrian	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 - 01/01/2011		Crist
Nathan A. Skop	05/02/2007 - 01/01/2011		Crist
David E. Klement	10/22/2009 - 01/01/2014		Crist
Ben A. "Steve" Stevens III	01/02/2010 - 01/01/2014		Crist

* 2 year initial term

** 3 year initial term

*** Served/Serving as Chairman