



State of Florida
Public Service Commission
INTERNAL AFFAIRS AGENDA
Tuesday - August 15, 2006
Immediately Following Agenda Conference
Room 140 - Betty Easley Conference Center

1. Approve July 17, 2006, Internal Affairs Meeting Minutes. (Attachment 1)
2. FPSC Bedrock Principles Related to Telecommunications Issues. Approval is sought. (Attachment 2)
3. Briefing on Implementation Plan for 2006 Legislative Directives. Acceptance is sought. (Attachment 3)
4. Briefing on Lifeline and Link-up Action Plan. (Attachment 4)

MAB/ba

OUTSIDE PERSONS WISHING TO ADDRESS THE COMMISSION ON
ANY OF THE AGENDAED ITEMS SHOULD CONTACT THE
OFFICE OF THE EXECUTIVE DIRECTOR AT (850) 413-6068.



State of Florida
Public Service Commission
INTERNAL AFFAIRS MINUTES

9:30 AM – 12:45 P.M.

Monday - July 17, 2006

Room 140 - Betty Easley Conference Center

COMMISSIONERS PRESENT:

Chairman Edgar
Commissioner Deason
Commissioner Arriaga
Commissioner Carter
Commissioner Tew

STAFF PARTICIPATING:

Bane, Hill, Cooke, Williams, Miller, Fogleman, Shafer,
Wiggins, Futrell, Ballinger, Gervasi

OTHERS PARTICIPATING:

Matthew Feil and Mike Gallagher - FDN
Daniel A. Lashof and Susan Glickman - Natural
Resources Defense Council (NRDC)

1. Approve June 5, 2006, Internal Affairs Meeting Minutes.

The minutes were approved and modified to reflect that Commissioner Arriga concurred with the approval of the June 5, 2006 minutes.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

2. Briefing on Federal Congressional Telecom Legislation.

Briefing only.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

3. Approval of Telecommunications Bedrock Principles.

Staff were directed to make the suggested edits to Attachment A, the proposed Telecommunications Bedrock Principles, and bring the document back to a later Internal Affairs meeting.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

4. Approval of draft letter in response to FERC Rulemaking on Open Transmission Access.

The Commissioners approved the draft letter as modified at the Internal Affairs meeting. Staff are to revise the letter consistent with discussion and work directly with the Chairman's office to finalize the letter.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

5. Briefing on Implementation Plan for 2006 Legislative Directives.

This item was deferred to the August 15, 2006 Internal Affairs meeting.

6. Proposed NARUC Regulatory Partnership between Paraguay and the Commission.

The Commissioners approved moving forward with a regulatory partnership through NARUC between Paraguay and the Commission. If NARUC agrees when Commissioner Arriaga presents the proposal at the Summer Committee meeting, negotiations with Paraguay will proceed. The regulatory agreement will be reviewed by OTTED prior to being brought to Internal Affairs for Commissioner approval.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

7. Presentation by FDN on Company Operations and Facilities.

Presentation only.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

8. Presentation by the Natural Resources Defense Council (Daniel A. Lashof) on Financial Risks Associated with Carbon Emissions.

Presentation only.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: August 7, 2006

TO: Mary Andrews Bane, Executive Director

FROM: Division of Competitive Markets & Enforcement (Fogleman, Shafer)
Office of the General Counsel (Wiggins)

RE: FPSC Bedrock Principles Related to Telecommunications Issues.
Critical Information: Please Place on August 15 Internal Affairs. Approval of principles is sought.

Handwritten initials and signatures: 17, [unclear], [unclear], [unclear]

Due to a recent increase in congressional legislative activity, there has been a renewed interest in establishing a set of bedrock principles regarding telecommunications issues. Staff has drafted a proposed set of bedrock principles based on prior comments filed with the Federal Communications Commission (FCC). At the July 17th Internal Affairs meeting, staff was asked to incorporate changes to the draft bedrock principles consistent with the Commissioners' comments. The principles contained in Attachment A reflect those changes articulated by the Commissioners. Staff has also modified some principles to more closely align the principles with Florida Statutes. The highlighted text identifies those principles that have changed from the last internal affairs meeting. Staff has not highlighted those proposed changes from Commissioner Tew that were circulated at the last Internal Affairs meeting.

cc: Charles H. Hill
Michael Cooke

INTRODUCTION

This document is an expression of the Florida Public Service Commission’s (FPSC) guiding principles for responding to proposed federal telecommunications legislation as well as proposed federal agency initiatives that will impact Floridians’ telecommunications services. In recent years, the FPSC has articulated many of these positions in a number of proceedings at the Federal Communications Commission (FCC), in letters to state and federal legislators, and in FPSC reports and decisions. Each of the following topics contains a brief description of the FPSC’s statutory responsibility, relevant background, and principles consistent with our statutory requirements. Telecommunications services are largely deregulated within Florida. Policymakers must distinguish between necessary and unnecessary regulation and allow the market to address issues that do not necessitate a regulatory solution. The industry is still in the transition phase, making it sometimes difficult to determine the necessary amount of regulatory oversight.

The following topics are addressed herein:

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I. ACCESS TO INFORMATION

A. Statutory Responsibility & Background

Florida Statutes provide that the FPSC shall have access to all records of a telecommunications company that are reasonably necessary for the disposition of matters within the FPSC's jurisdiction.¹

Commission rules implement this statutory requirement. First, where a telephone company is operated with another enterprise, records must be separated in such a manner that the results of the telephone operation may be determined at any time.² Second, upon notification to the telecommunications company, FPSC staff members may, at reasonable times, make personal visits to the company offices or other places of business within or outside the state and may inspect any accounts, books, records, and papers of the company that may be necessary in the discharge of FPSC duties.³ Third, during such visits, the company shall provide the staff member(s) with adequate and comfortable working and filing space, consistent with the prevailing conditions and climate, and comparable with the accommodations provided the company's outside auditors.⁴

B. Principles

Existing state authority regarding access to books and records of certificated telecommunications companies should not be restricted or preempted at the federal level. Further, states' legislatures should not be precluded from authorizing state commission access to books and records of certificated telecommunications companies.

II. ACCOUNTING

A. Statutory Responsibility & Background

Many of the state commissions' needs for data arise from the federal Telecommunications Act of 1996 (the Act) and the FCC's rules. Proceedings relating to pricing of unbundled network elements, BellSouth interLATA long-distance authority, and universal service have been conducted by state commissions, but the impetus for those proceedings originates in the Act. These are fact-intensive proceedings that require a great deal of data which is similar from state to state. A uniform set of federal accounting requirements facilitates this work. In addition, if states were to adopt differing accounting requirements, uniformity would be lost. In the FCC's Accounting and Reporting proceeding, the FPSC expressed concern with the FCC's change of direction regarding states' needs for information. The FCC seems to be focusing on federal needs only, thereby eliminating reporting requirements that are valuable to the states in carrying out proceedings that originate from federal law and FCC rules.

¹ Section 364.183, Florida Statutes.

² Rule 25-4.019, Florida Administrative Code.

³ Ibid.

⁴ Ibid.

B. Principles

Recognizing the need to make reporting requirements as reasonable as possible, particularly in light of the potential for reporting requirements to be unevenly applied to intermodal competitors, regulators should balance the public interest benefits and the carriers' cost burden prior to adoption of additional accounting requirements or deletion of existing accounting requirements.

For state proceedings that originate with federal actions and that require review of data currently gathered via federal reporting requirements, the relevant and necessary portions of such federal reporting requirements should be maintained.

In the event federal reporting requirements are removed despite state interest in their preservation, federal regulators should endeavor to give as much advance notice to the states as possible.

III. ADVANCED SERVICES

A. Statutory Responsibility & Background

Section 706 of the Telecommunications Act of 1996 requires that each state with regulatory jurisdiction over telecommunications services shall encourage the deployment, on a reasonable and timely basis, of advanced telecommunications capability to all Americans by utilizing an array of regulatory tools in a manner consistent with the public interest.⁵ In accordance with Section 364.011, Florida Statutes, the FPSC does not regulate broadband. Although broadband services are exempt from FPSC regulation, Section 364.01(3), Florida Statutes provides that they "are subject to this state's generally applicable business regulation and deceptive trade practices and consumer protection laws, as enforced by the appropriate state authority or through actions in the judicial system."

B. Principles

Regulatory certainty and stability is best achieved by implementing a consistent national broadband policy.

Different technologies should be able to compete in the market based on merit. Any action or policy to encourage the investment in and the deployment of advanced services should not unduly influence the market success or failure of any particular technology.

Voluntary data collection on broadband services should be encouraged at the state level to provide information from which policy makers can better assess areas of need. At the federal level, data collection on broadband services should continue to be preserved.

⁵ 47 U.S.C. 706(a) identifies the following regulatory tools: "price cap regulation, regulatory forbearance, measures that promote competition in the local telecommunications market or other regulating methods that remove barriers to infrastructure investment."

IV. INTERCARRIER COMPENSATION

A. Statutory Responsibility & Background

The need for explicit intercarrier compensation arose, largely due to the AT&T divestiture, to ensure that the newly divested AT&T long-distance operations provided compensation to the various Bell Operating Companies for the use of their networks to originate and terminate long-distance calls. This led to the development of the access charge regime, whereby long-distance carriers (IXCs) compensated local exchange carriers (LECs). Over the years, the access charge rate structure has undergone various revisions, primarily reflecting changes regarding the portion of a LEC's access-related costs to be recovered from end users (typically via flat charges) versus from IXCs (usually via per-minute charges).

While the perceived need to reform the access charge rate structure continues to this day, the advent of the federal Telecommunications Act has expanded the scope and complexity of intercarrier compensation mechanisms. Most notably, Section 251(b)(5) of the Act provides that telecommunications carriers are “to establish reciprocal compensation arrangements for the transport and termination of telecommunications” – not just for toll traffic but for other types of traffic, including local and wireless. Statutory responsibility can be found in Chapter 364.16(3), Florida Statutes, and Sections 251(c) and 251(d)(3) of the federal Telecommunications Act of 1996.

B. Principles

The current intercarrier compensation regime requires thoughtful and timely reform, but any new intercarrier compensation approach should be, to the extent possible, both competitively and technologically neutral.

Revenue neutrality may not be necessary in the long-term, but it is likely needed during a transition period. In a competitive market, it is questionable that an entitlement can, or should, be preserved.

Carriers that lose revenues because of intercarrier compensation reform should not automatically be made whole from customer line items or from the federal Universal Service Fund. The need for replacement funds should be based on consideration of factors such as the level of existing basic local service rates and the amount of universal service support received prior to intercarrier compensation reform.

Prescribed changes should avoid sudden and dramatic impacts on wholesale and retail rates. A phased-in approach may ameliorate rate shock.

V. MARKET-BASED SOLUTIONS

A. Statutory Responsibility & Background

Fairly robust intermodal and facilities-based competition is developing in some telecommunications markets. Communications markets are increasingly characterized by competing and rapidly evolving technologies, new business models, and greater consumer choice. Nontraditional providers are blurring the distinction between plain old telephone services, wireless services, cable services, and information services.

Florida law finds that “the competitive provision of telecommunications services, including local exchange telecommunications service, is in the public interest and will provide customers with freedom of choice, encourage the introduction of new telecommunications service, encourage technological innovation, and encourage investment in telecommunications infrastructure.”⁶ The FPSC has broad authority to investigate competitive market issues as they relate to the provision of wireline telecommunications services.

B. Principles

Competition should be promoted by encouraging entry into telecommunications markets and by allowing a transitional period in which new competitors are subject to a lesser level of regulatory oversight.⁷

Providers should be encouraged to introduce new or experimental telecommunications services free of unnecessary regulatory restraints.⁸

Regulators should strive to promote regulatory certainty and stability.

To the extent that states have authority to address market power and market abuse allegations with respect to wireline telecommunications services, such review and remediation authority should not be preempted by a federal agency or by federal law.

States must have the flexibility to address state-specific telecommunications issues within their jurisdiction if such issues cannot be accommodated more effectively by a national policy.

Where regulatory flexibility exists, markets should be allowed time to address potential shortcomings prior to initiating a regulatory response.

⁶ Section 364.01(3), Florida Statutes. See also Section 364.01(4)(a-i), Florida Statutes.

⁷ Section 364.01(4)(d), Florida Statutes.

⁸ Section 364.01(4)(e), Florida Statutes.

VI. NUMBERING

A. Statutory Responsibility & Background

Section 251(e)(1) of the Telecommunications Act grants the FCC exclusive jurisdiction over those portions of the North American Numbering Plan (NANP) that pertain to the United States; however, the FCC may delegate any or all of this jurisdiction to state commissions.⁹ The FCC has sought to optimize the use of numbering resources by: (1) minimizing the negative impact on consumers of premature area code exhaust; (2) ensuring access to numbering resources for all service providers; (3) extending the life of the NANP; (4) imposing the least societal cost possible; (5) ensuring competitive neutrality; and (6) minimizing incentives for carriers to carry excessively large inventories of numbers. Some of the measures used by the FCC include: area code relief, thousands-block number pooling, and local number portability.

In April 1999, the FPSC petitioned the FCC for the authority and any necessary waiver of the FCC's rules in order to ease the existing numbering problems facing the state. The FCC subsequently issued an order granting authority to the FPSC to institute number pooling, reclaim reserved and unused NXX codes, and set numbering allocation standards, among other measures.¹⁰ The FPSC has exercised that authority and has taken a proactive approach regarding number conservation by implementing state number pooling, reclaiming unused and abandoned telephone numbers, and choosing the appropriate area code relief when necessary. State number pooling trials and subsequent national number pooling action has saved over 14.8 million numbers in Florida and extended the lives of Florida's existing area codes from two to eleven years, saving consumers the expense and inconvenience of changing area codes.

B. Principles

State commissions and the FCC should continue their partnership to promote and implement number conservation measures.

State commissions are in a unique position to understand local conditions, to examine costs and benefits for a particular area, and to determine when, and in what form, number conservation measures should be implemented. As such, state commissions should have the authority to implement mandatory thousands-block number pooling at their discretion, subject to current numbering rules and number pooling guidelines.

⁹ 47 U.S.C. 251(e)(1).

¹⁰ Order FCC 99-249, FPSC Petition to FCC for Expedited Decision for Grant of Authority to Implement Number Conservation Measures, CC Docket No. 96-98, September 15, 1999.

VII. PREEMPTION

A. Statutory Responsibility & Background

The FPSC has statutory authority to investigate and report to the FCC violations of interstate rates, fares, charges, classifications, or rules of practice for the transmission of telecommunications messages or conversations that originate or terminate within Florida.¹¹ This authority is limited to excessive or discriminatory claims or violation of the Telecommunications Act of 1996 or FCC rules. The FPSC also has authority under state law to address certain additional telecommunications issues, such as interconnection,¹² service quality,¹³ consumer proprietary network information (CPNI),¹⁴ and customer complaints,¹⁵ which may overlap with federal jurisdiction.

B. Principles

States or state commissions should not be precluded from prescribing and enforcing state laws, regulations, or procedures regarding consumer protection that are more prescriptive than federal requirements.

State regulators should not be precluded from exercising existing jurisdictional authority over intrastate telecommunications service. State legislatures should have the flexibility to prescribe more stringent or more relaxed standards based on the existence of competitive market forces in their states.

States should retain authority to ensure that telecommunications competition does not result in the general loss or degradation of basic customer service quality absent availability of alternative providers. Consistent with state law, states should have the authority to adopt their own service quality regulations that are reflective of the competitive marketplace and degree of consumer choice for telecommunications services.

States should retain authority to address and resolve market-related issues consistent with intrastate jurisdiction regarding such issues as noted above.

To the extent states have express authority to address issues such as interconnection, service quality, CPNI, and customer complaints, which are also subject to federal jurisdiction, a state's review and remediation authority should not be preempted by a federal agency or by federal law.

¹¹ Section 364.27, Florida Statutes.

¹² Section 364.16, Florida Statutes.

¹³ Section 364.03 and 364.15, Florida Statutes.

¹⁴ Section 364.24(2), Florida Statutes.

¹⁵ Section 364.35 and 364.604, Florida Statutes.

VIII. UNIVERSAL SERVICE

A. Statutory Responsibility & Background

Section 254 of the Telecommunications Act created the Federal-State Joint Board on Universal Service (Joint Board) to address universal service issues. The Act states that specific, predictable, and sufficient federal and state mechanisms should be in place to preserve and advance universal service.¹⁶

Consistent with the federal universal service objectives, the FPSC, as a matter of state law¹⁷ and public policy, supports the preservation and advancement of universal service. Florida Statutes mandate that consumers have available an evolving level of access to telecommunications services. The FPSC is also directed by statute to determine which services should be subject to intrastate universal service consideration. That determination requires that the FPSC take into account advances in technologies, services, and market demand in determining which services should be provided. Further, by law, these services must be made available to all consumers including those in rural, economically disadvantaged, and high-cost areas.

B. Principles

The federal Universal Service Fund (USF) should be only as large as necessary to fulfill the requirements of the law and should not be increased absent a showing of compelling need.

Both the states and the FCC have responsibility for the preservation and advancement of universal service.¹⁸

Universal service support should be maintained only to achieve the goals of the Act, as required by Section 254(b)(5).¹⁹

Any expansion of the definition of supported services should be considered only in light of the requirements of the Telecommunications Act.²⁰

The services eligible for Universal Service funding should not be expanded to include advanced services. Public/private partnerships and economic incentives are a far better and more sustainable method to ensure broadband availability to under-served markets than an elaborate and inflated subsidy mechanism.

¹⁶ 47 U.S.C. 254.

¹⁷ Section 364.025, Florida Statutes.

¹⁸ 47 U.S.C. 254(b)(5) and 254(f).

¹⁹ There should be specific, predictable, and sufficient Federal and State mechanisms to preserve and advance universal service.

²⁰ According to 47 U.S.C. 254(c)(1)(A)-(D), policymakers must consider the extent which such supported telecommunications services: (A) are essential to education, public health, or public safety; (B) have been subscribed to by a substantial majority of residential customers; (C) are being deployed in public telecommunications networks by telecommunications carriers; and (D) are consistent with the public interest, convenience, and necessity.

The federal USF should meet the stated goals of each program without being unduly burdensome to the rate-paying public.

Waste, fraud, and abuse of universal service funds should be eliminated.

Accountability in administering universal service funds is needed.

Interagency cooperation is necessary and important in order to achieve universal service goals.

Changes in the assessment methodology for universal service should minimize the regulatory costs and complexities associated with audits.

IX. VOICE OVER INTERNET PROTOCOL

A. Statutory Responsibility & Background

In recognition of the potential benefits of emerging voice-over-Internet protocol (VoIP) technologies for Florida's consumers, the Florida Legislature has taken proactive steps to prevent unnecessary regulation of VoIP at the state level. Specifically, Subsection 364.01(3), Florida Statutes, contains the following guidance to the FPSC as it relates to the regulatory oversight of VoIP:

The Legislature further finds that the provision of voice-over-Internet protocol (VOIP) free of unnecessary regulation, regardless of the provider, is in the public interest.

Under Subsection 364.02(12), Florida Statutes, the 2003 Legislature further specified that:

"Service" is to be construed in its broadest and most inclusive sense. The term "*service*" does not include voice-over-Internet protocol service for purposes of regulation by the commission. Nothing herein shall affect the rights and obligations of any entity related to the payment of switched network access rates or other intercarrier compensation, if any, related to voice-over-Internet protocol service. (emphasis added)

While the FPSC has certain responsibilities to ensure consumer protection, quality of service, public safety, and universal service, in Florida those responsibilities pertain *only* to specific telecommunications services by specific telecommunications providers in accordance with state law. The FPSC does not have authority over VoIP, except to the extent conferred by legislation.

B. Principles

IP-enabled technologies like VoIP are interstate in nature and, therefore, are more appropriately addressed at the federal level than at the state level.

Emerging technologies should *not* be subject to old rules designed to forge competition in monopoly markets.

In competitive markets, economic regulation is a disincentive to the investment required to build out networks and provide new and innovative choices for consumers.

Some emerging technologies, such as VoIP, may require regulation of public safety and welfare issues, without the need to apply economic regulation.

As substitute products and services emerge, the Commission should refrain from imposing unnecessary regulatory requirements and recognize that regulation is a poor substitute for effective, vigorous competition among multiple providers.

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: August 7, 2006

TO: Mary Andrews Bane, Executive Director

FROM: Division of Economic Regulation (Ballinger) *ES*
 Division of Competitive Markets (Salak) *MS*
 Office of Strategic Analysis and Governmental Affairs (Dean) *J.W.D. RLT*
 Office of General Counsel (Miller) *CM*

RE: Briefing on Implementation Plans of 2006 Legislative Directives

Critical Information: Please place on the August 15, 2006 Internal Affairs.
Commission acceptance is sought.

The 2006 Florida Legislature passed two bills that contain sections that require specific implementation on the part of the Florida Public Service Commission (FPSC). Senate Bill 888 is an omnibus energy bill that contains a series of rulemaking and reports to be produced (Attachment A has relevant portions of SB 888.) Senate Bill 142 is a telecommunications bill addressing carrier of last resort obligations and publishing of nonbasic service tariffs. (Attachment B is a copy of SB 142.) This memorandum enumerates the specific actions required under the bills, identifies the divisions that will have primary responsibility, and describes the plans to implement the bills' requirements.

SB 888 - Omnibus Energy Bill

1. Florida Energy Commission (Page 12 of Attachment A)

Summary – The bill establishes a nine member Energy Commission appointed by the Speaker of the House and the President of the Senate. The Energy Commission is to “develop recommendations for legislation to establish state energy policy.” The chair of the FPSC or his or her designee may attend the meetings and “provide information and advice at the request of the chair...” The initial report of the new commission is due December 31, 2007, and it is to identify incentives for research and development, set forth energy conservation recommendations, set forth a plan of action, and recommend “consensus-based public-involvement processes that evaluate greenhouse gas emissions in this state and make recommendations regarding related economic, energy, and environmental benefits.”

Staff Implementation – While the FPSC has only an information providing role, it is anticipated that much of the discussion of the Energy Commission will be in areas of FPSC knowledge and responsibility. At the direction of the FPSC chair, staff of the Office of Strategic Analysis and Governmental Affairs (SGA) would attend and monitor the meetings of the Energy Commission

and provide periodic updates. When required, SGA would provide technical presentations or coordinate other technical staff to provide information to the Energy Commission. (Lead staff, SGA)

Key Events

Timeline

First Report of the Energy Commission Due to Legislature

December 31, 2007

2. Renewable Tax Credits (Page 12 of Attachment A)

Summary - The Department of Revenue (DOR) has been authorized to provide a tax credit of \$0.01/kwh for electricity produced and sold by renewable generators. The DOR has been charged with developing an application form, with consultation from the FPSC.

Staff Implementation - Staff has already established contact with the appropriate personnel at the DOR and will address requests from the DOR as needed. (Lead staff, Mark Futrell and Jan Kyle)

Key Events

Timeline

FPSC Staff Met with DOR Staff

August 2, 2006

3. Goals for Renewable Generators (Page 12 of Attachment A)

Summary - SB 888 created Section 366.92, Florida Statutes (F.S.). Subsection (3) states “[T]he commission may adopt appropriate goals for increasing the use of existing, expanded, and new Florida renewable energy resources. The commission may change the goals. The commission may review and reestablish the goals at least once every five years.” Subsection (4) states “[T]he commission may adopt rules to administer and implement the provisions of this section.”

Staff Implementation – During the 2005 legislative session, the Legislature enacted Section 366.91, F.S., which requires investor-owned utilities to continuously offer to purchase power from renewable generators at the utility’s avoided cost for a period of at least ten years. This statute became effective October 1, 2005, and required implementation by January 1, 2006. On September 12, 2005, staff held a workshop with the investor-owned utilities during which it was decided that implementation could be achieved by the utilities filing new tariffs for standard offer contracts with renewable generators that complied with the requirements of the statute. New standard offer tariffs were filed on October 14, 2005. Staff’s review of the proposed tariffs indicated a number of issues and staff filed a recommendation that, among other things, recommended that the investor-owned utilities adopt a portfolio of standard offers based on each generating unit identified in their Ten-Year Site Plans. At the December 20, 2005 Agenda, the Commission voted to approve the IOU tariffs for a period of 6 months and instructed staff to continue working with the utilities to develop broader based standard offers.

Staff held an additional workshop on March 6, 2006, to further discuss the portfolio approach. At the May 16, 2006 Agenda, the Commission directed the investor-owned utilities to implement a Fossil Fuel Unit Type Portfolio approach to standard offer contract pricing for renewable generators. The Commission found that the Fossil Fuel Unit Type Portfolio approach “will best

meet the intent of Section 366.91, Florida Statutes, to encourage the development of renewable energy resources while balancing ratepayer interests” and “will promote renewable generation to a greater degree than the single avoided unit approach by offering renewable generators a menu of contracts based on various generating technologies, with different pricing, timing, and operating characteristics.” (Pages 4 and 5 of Order No. PSC-06-0486-TRF-EQ)

The Commission also directed staff to initiate rule amendments to the FPSC’s standard offer rules. A rule development workshop is scheduled for August 23, 2006. At this time, staff intends to propose language that will codify the Fossil Fuel Unit Type Portfolio approach as part of the FPSC’s standard offer contract rules.

On June 26, 2006, the Florida Industrial Cogeneration Association (FICA) protested Order No. PSC-06-0486-TRF-EQ. FICA’s protest did agree to a short term delay of the hearing to allow the above mentioned rulemaking proceeding to address their concerns. The effect of this protest is that the portfolio approach will not be implemented until either the protest is withdrawn or a hearing is held.

During the 2006 session, the Legislature enacted SB 888 which gives the Commission discretion to adopt rules requiring goals for renewable generation for each investor-owned utility. However, the Legislature did not repeal or amend Section 366.91, F.S. Staff believes that rulemaking to establish renewable goals may be premature at this time. The Commission should allow the Fossil Fuel Unit Type Portfolio market pricing approach to be implemented and thoroughly tested before embarking on a separate non-market based goal setting for renewables. Pursuing goals for renewable generators is not likely to be productive at this time because staff does not have sufficient information on the current potential for cost-effective renewable generation in Florida in order to establish a baseline.

Staff intends to begin gathering more detailed information regarding utility efforts in the area of renewable generation as part of the FPSC’s *Annual Ten-Year Site Plan Review*. The Commission’s report to the Legislature on the 2006 Ten Year Site Plans is due by December 31, 2006, and will include a more detailed write-up on renewables. Such information will also be updated as part of the FPSC’s *Annual Report on Activities Pursuant to the Florida Energy Efficiency and Conservation Act*, which includes a section dedicated to small solar photovoltaic system installations and other renewable generation activities and is due to the Legislature by March 1, 2007. Staff will send a detailed data request to each affected utility in the near future to gather information on the number, type, and output of existing renewable generators. Staff will also request each utility to provide its internal procedures for contacting and tracking potential renewable generators. The results of the Fossil Fuel Unit Type Portfolio pricing approach coupled with this additional information will provide a good baseline if goals are determined to be needed in the future. (Lead staff, Judy Harlow and Mike Haff)

Key Events

Timeline

Send Data Request to Utilities	August 16, 2006
Rule Development Workshop to Codify Portfolio Approach	August 23, 2006
Rule Revisions Sent to General Counsel	October 6, 2006
Internal Affairs, Ten-Year Site Plan Review	December 4, 2006
Internal Affairs, FEECA Report	February 5, 2007

4. Transmission Reliability (Page 13 of Attachment A)

Summary – Section 19 of SB 888 requires the FPSC to study the electric transmission grid in the state and report its findings to the Governor, the President of the Senate, and the Speaker of the House of Representatives. The report, due by March 1, 2007, must address the reliability and efficiency of the electric transmission grid in Florida, including efforts to harden the transmission infrastructure to address issues arising from the 2004 and 2005 hurricane seasons.

Staff Implementation – For the first report, staff will focus on transmission grid and bulk power flow issues. The Commission’s existing Ten-Year Site Plan review process will be used to collect data and address transmission reliability and efficiency issues. The annual Ten-Year Site Plan review process has historically addressed a wide range of issues pertaining to generation reliability, load forecasts, fuel price forecasts, natural gas pipeline supply, fuel diversity, renewable generation, conservation efforts, etc. In order to provide a more complete picture of system reliability, staff is enhancing the 2006 Ten-Year Site Plan review process to include a complete review of transmission planning and reliability.

In addition to collecting individual utility data, the staff has requested the Florida Reliability Coordinating Council (FRCC) to provide details of its independent statewide transmission planning efforts. Specific attention will be focused on recently identified transmission improvements required in the Central Florida region, the North Florida region, and the impact of the Taylor County coal plant. Staff intends to incorporate the results of the FRCC’s annual transmission planning process as an ongoing part of the Ten-Year Site plan review. The Ten-Year Site Plan review is filed with the Department of Environmental Protection by December 31 of each year per Section 186.801, F.S.

The report required by SB 888 is to be filed with the Governor, the President of the Senate, and the Speaker of the House of Representatives no later than March 1, 2007. Staff plans to rely heavily on the information obtained in the Ten-Year Site Plan review to satisfy the requirements of this report. (Lead staff, Mike Haff)

Key Events

Timeline

Ten-Year Site Plan Workshop	September 7, 2006
Ten-Year Site Plan Report to IA	December 4, 2006
Draft Report to Legislature to IA	February 5, 2007
Report Due to Legislature	March 1, 2007

5. Electric Infrastructure Hardening (Page 13 of Attachment A)

Summary – Section 19 of SB 888 also requires the Commission to conduct a review to determine what should be done to enhance the reliability of Florida’s transmission and distribution grids during extreme weather events, including the strengthening of distribution and transmission facilities. The report, due July 1, 2007, may include recommendations for (1) promoting and encouraging underground electric distribution for new facilities and conversions from existing overhead to underground distribution facilities, (2) incentives for local-government-sponsored conversions of existing overhead distribution facilities to underground,

(3) whether investor-owned utilities should share in the costs of conversions with the shared costs recognized as plant-in-service for regulatory purposes, and (4) promoting the use of road rights-of-way for underground facilities in any local-government-sponsored conversion project.

Staff Implementation – The FPSC has established a multi-faceted plan to address hardening of the electric infrastructure through workshops, Internal Affairs presentations, FPSC orders, and rulemaking. (See Attachment C for a description of the actions taken to date.)

The actions previously taken by the Commission, some of which are on-going and will require additional time and follow-up, will be documented in the report required by SB 888.

At the June 20, 2006 Agenda, the Commission proposed rules which would require (1) construction standards for hardening overhead and underground distribution facilities, including standards and procedures for third-party attachments to electric facilities, (2) the cost-effective placement of electric distribution facilities in readily accessible locations, and (3) the inclusion of operational cost differences between overhead and underground construction and the cost of hardening in contribution-in aid-of-construction calculations for new construction and conversions from overhead to underground facilities. The Commission also set for hearing on August 31, 2006, the proposed rules governing the location of facilities (25-6.0341), third-party attachments (25-6.0342), and construction standards for municipal electric utility and rural electric cooperatives (25-6.0343).

On July 24, 2006, the Commission received a petition from the Florida Electric Cooperatives Association, Inc. (FECA) for Bifurcation of Proceeding and Request for Hearing and Rescheduled Comments for Consideration of Proposed Rule 25-6.0343. In its petition, FECA proposes an alternative draft rule under which the rural electric cooperatives would report to the Commission their efforts to enhance distribution reliability and safety. According to FECA, their proposed alternative rule would avoid the jurisdictional concerns they raised earlier in staff workshops and at the June 20, 2006 Agenda. Based on their request, the rule hearing to address construction standards for muni's and coop's has been rescheduled for October 4, 2006. Staff will continue to meet with FECA prior to October 4 in an effort to reach consensus on rule language.

In addition to the current rulemaking, staff also recommends that the utilities continue to work with PURC to explore issues affecting the undergrounding of distribution facilities. Research is needed to better identify and track the costs associated with overhead and underground facilities, including the long term maintenance and storm restoration costs. Staff specifically recommends utility sponsored research to identify methodologies for quantifying and assessing the applicability of externalities such as (1) valuation of outages, (2) impact on the economy and customer inconvenience in the evaluation of the relative costs of overhead versus underground construction, and (3) to develop appropriate accounting measures to adequately identify and track costs associated with underground construction. To the extent possible, these research efforts should be expedited such that at least preliminary results may be included in the July 1, 2007 report to the Governor and Legislature.

Staff believes much of the required information for the July 1, 2007 report will be derived from the proposed rulemaking in Docket Nos. 060172-EU and 060173-EU, ongoing storm preparedness plans filed in Docket No. 060198-EI, and proposed revisions to FPL's CIAC tariff

in Docket No. 060150-EI . However, to the extent that additional information is needed beyond that being collected in the Commission’s ongoing initiatives, staff intends to hold additional workshops, where needed, throughout the remainder of 2006 and early 2007. (Lead staff Jim Breman, Connie Kummer)

<i>Key Events</i>	<i>Timeline</i>
Agenda Item – Adequacy of Storm Plans and Pole Inspection Plans	August 29, 2006
Rule Hearing – IOU Construction Standards and Undergrounding Issues, Location of Facilities, and Third Party Pole Attachment Rules	August 31, 2006
Rule Hearing – Muni/Coop Construction Standards, Location of Facilities, and Third Party Pole Attachment Rules	October 4, 2006
Agenda Item – Revisions to FPL CIAC Tariff Additional Workshops, As Needed	October 5, 2006
Internal Affairs – SB 888 Draft Report	May 21, 2007
SB 888 Report to Legislature	July 1, 2007

6. Nuclear Generating Plants (Page 14 of Attachment A)

Need Determination

Summary – SB 888 created Section 403.519(4), F.S., to specifically address need determination proceedings for nuclear power plants. Pursuant to the new section, the FPSC “shall consider the need for electric system reliability and integrity, including fuel diversity, the need for base-load generating capacity, and the need for adequate electricity at a reasonable cost” when reviewing a need petition for a nuclear power plant. The new section also exempts any utility from issuing a request for proposals pursuant to Rule 25-22.082, Florida Administrative Code, for any new nuclear power plants.

Staff Implementation – Rule 25-22.081, Florida Administrative Code, reiterates the requirements of 403.519, F.S. and provides a broad outline of information that must be filed with each need determination petition. The new Section 403.519(4), F.S., provides detailed areas for consideration and certain exemptions for nuclear power plant need determination proceedings. Staff has initiated rule amendments to Rule 25-22.081, Florida Administrative Code, and a workshop is scheduled for December 13, 2006, to address these new requirements. (Lead staff, James McRoy)

<i>Key Events</i>	<i>Timeline</i>
Staff Rule Development Workshop Agenda	December 13, 2006 To be Determined

Cost Recovery

Summary – SB 888 also created Section 366.93, F.S. to address cost-recovery for the siting, design, licensing, and construction of new nuclear power plants. Specifically, Section 366.93(2), F.S., requires the FPSC to adopt rules, within six months of enactment, to allow for the cost recovery of various pre-construction costs through existing cost-recovery clause mechanisms. Section 366.93(4), F.S., requires the increase of base rate charges once the nuclear plant comes on-line, specifies the rate of return that will be used, and allows for the accelerated recovery of any plant retired as a result of the new nuclear plant being constructed.

Staff Implementation – The creation of Section 366.93, F.S., provides detailed guidance for the cost recovery of future nuclear power plants. Since the statute requires the FPSC to adopt rules within six months of enactment (no later than December 28, 2006), staff has drafted a rule and intends to hold a rule development workshop on August 30, 2006, to allow interested parties to have input. The rule would be brought to the October 24, 2006 Agenda for the Commission to propose the rule. (Lead staff, Kathy Lewis)

Key Events

Timeline

Staff Rule Development Workshop
Rule Proposal to Agenda

August 30, 2006
October 24, 2006

7. Fuel Diversity (Pages 14-15 of Attachment A)

Summary – SB 888 amended three statutes to highlight the importance of fuel diversity. Each amendment is discussed below.

1. Section 186.801(2), F.S., was amended to include the effect on fuel diversity within the state when reviewing utility Ten-Year Site Plans.

Staff Implementation – The annual Ten-Year Site Plan review process addresses a wide range of issues pertaining to generation reliability, load forecasts, fuel price forecasts, natural gas pipeline supply, fuel diversity, renewable generation, conservation efforts, etc. Many issues explored during the Ten-Year Site Plan process are not specifically identified in Section 186.801, F.S. The Ten-Year Site Plan review process provides a forum for the FPSC, the electric industry, and the public to discuss emerging issues and to determine whether the utilities' generation and transmission plans are suitable for planning.

Fuel diversity within the state has been, and will continue to be, considered as part of the FPSC's annual Ten-Year Site Plan review process. Last year's review focused on the need for a balanced fuel supply and this year's review will continue to stress the need for flexibility in fuel supply. Staff plans to analyze fuel diversity between and within fuel types. In addition, staff is monitoring the progress of the FRCC's Electricity and Natural Gas Reliability Task Force.

The FPSC's rules pertaining to Ten-Year Site Plans address the procedural requirements of 186.801, F.S. Since SB 888 did not amend any filing deadlines, no amendments to FPSC rules appear to be required as a result of amendments to Section 186.801(2), F.S. (Lead staff, Mike Haff)

2. Section 366.05(8), F.S., describes the FPSC’s authority to require the construction of generation and transmission facilities if inadequacies exist and to allocate costs in proportion to the benefits received. SB 888 amended Section 366.05(8), F.S., to include “inadequacies in fuel diversity or fuel supply reliability” as a determining factor.

Staff Implementation – Pursuant to Section 366.05(8), F.S., the FPSC must first determine that there is probable cause that inadequacies exist with respect to the energy grid before requiring the repair of existing or installation of new facilities. The Ten-Year Site Plan review process provides a forum to identify any potential problem areas, including inadequacies in fuel diversity. If any inadequacies in the electric grid are suspected to exist, staff will initiate a proceeding pursuant to Section 366.05(8), F.S. No amendments to FPSC rules appear to be required as a result of amendments to Section 366.05(8). (Lead staff, Tom Ballinger)

3. Section 403.519, F.S., was amended to require the FPSC to specifically consider “the need for fuel diversity and supply reliability” when making its determination of need.

Staff Implementation – As discussed above, staff has initiated rule amendments to Rule 25-22.081, Florida Administrative Code, to incorporate the new requirements for nuclear plant need determination proceedings. Fuel diversity and other strategic considerations have historically been considered in need determination proceedings as part of the FPSC’s overall jurisdiction and responsibilities. While not technically required, the clarification provided by the amendment to Section 403.519, F.S., relating to fuel diversity for non-nuclear plants can easily be added to the proposed amendments. A workshop is scheduled for December 13, 2006. (Lead staff, James McRoy)

Key Events

Timeline

Staff Rule Development Workshop

December 13, 2006

8. Construction Standards (Pages 15-16 of Attachment A)

Summary – Section 366.05, F.S., has been modified to specifically grant the FPSC the authority to adopt construction standards that exceed the National Electric Safety Code.

Staff Implementation – Clarification of the FPSC’s statutory authority supports the FPSC’s opening of Rulemaking Docket Number 060173-EU (opened on March 9, 2006) to address construction standards above and beyond current practices. On June 20, 2006, the FPSC voted to proceed with rulemaking to address more stringent construction standards in an effort to minimize damage caused by severe weather events. While the statute does not require the FPSC to take any action, the scheduled timeline for the docket is indicated below. (Lead staff, Jim Breman)

Key Events

Timeline

Agenda to Propose Rules
Rule Hearing (Scheduled)

June 20, 2006
August 31, 2006

9. Approval of Solar Thermal Output Measuring Equipment (Pages 16 of Attachment A)

Summary – Section 377.806, F.S., establishes a new Solar Energy System Incentive Program to be administered by the Florida Energy Office in the Department of Environmental Protection. As part of this incentive program, monetary rebates are offered for the purchase and installation of new commercial solar thermal systems. Rebates are to be based on the verified Btu output of the solar thermal device. Section 377.803(3), F.S. requires the FPSC to approve the metering equipment used to measure the thermal energy output of solar thermal systems.

Staff Implementation – Based on discussions with the DEP after the enactment of SB 888, it appears that the FPSC was inadvertently identified as the agency to approve the metering equipment for measuring solar thermal output. The Commission has no technical expertise in this area. Staff has discussed this issue with the DEP and they intend to seek clean up language in the upcoming legislative session. However, in the interim, it appears that the Commission will have to address putting an approval process in place.

Staff intends to continue to work closely with the DEP to reach a joint agreement on how to implement the approval of solar thermal meters. One possibility is to ask the Solar Energy Center to supply the FPSC and the Florida Energy Office with a list of recommended thermal measuring devices. Upon joint agreement, these would be posted to the FPSC website. The Florida Solar Energy Center (FSEC) is the designated state agency to approve solar thermal equipment (See 377.705, F.S.). It may be necessary to adopt a memorandum of understanding between the FPSC, the DEP, and the FSEC. (Lead staff, SGA)

Key Events

Timeline

Meet with Florida Energy Office (DEP) and FSEC

August, 2006

SB 142 - Telecommunications

1. Detariffing Nonbasic Rates (Page 18 of Attachment B)

Summary – A price-regulated local exchange company may publicly publish the terms, conditions, and rates for each of its nonbasic services in lieu of filing a tariff with the FPSC. The FPSC may establish guidelines for the publications.

Staff Implementation - Staff developed a draft set of guidelines for the companies to follow. Staff noticed a meeting with the ILECs to discuss and seek input on the draft guidelines. Staff amended the guidelines based on the comments of the meeting participants. Staff will be bringing the item to agenda for Commissioner approval so a Proposed Agency Action order for implementation may be issued. After gaining experience, staff may propose establishing rules. (Lead staff, Sally Simmons)

Key Events

Timeline

Meeting with Companies
File Recommendation
Agenda

July 26, 2006
August 3, 2006
August 15, 2006

2. Nonbasic Rates (Page 18 of Attachment B)

Summary – For price-regulated local exchange companies, the prices for nonbasic services may now be changed on one day’s notice instead of 15 days’ notice.

Staff Implementation - Under Administrative Procedure 2.07.C.5.a(15)(b), staff is authorized to administratively process price-regulated local exchange company tariffs. This APM will need to be modified to state that the nonbasic service filings may go into effect after one day’s notice after the tariff is filed or publicly published rather than the 15 days as currently reflected in the APM. (Lead staff, Sally Simmons)

Key Events

Timeline

Updated APM

August 15, 2006

3. Modification of ILEC’s Allowed Actions after Reaching Parity Under Rate Rebalancing (Pages 20-22 of Attachment B)

Summary – After an ILEC has reached parity under rate rebalancing, additional actions may be requested by the ILEC. The additional actions were modified.

- Under prior law, the ILEC could elect to have its basic services treated like nonbasic services. This had the potential to allow basic rates to increase 20% per year rather than the current law cap of inflation minus one percent. This provision no longer exists.
- Under prior law, the company’s service quality requirements would be equal to those of the competitive local exchange companies upon the company’s *election* unless the Commission determined otherwise within 120 days of election. The ILECs would not have to follow the quality of service standards that the FPSC currently imposes. There are no CLEC quality of service standard rules. With the change in the statute, the ILEC must *request* to have the service quality standards imposed upon it be equal to those of the CLECs. The FPSC still has 120 days to determine if the ILEC’s quality of service standards can be reduced.
- After reaching parity as defined for rebalancing, an ILEC may petition the FPSC to be treated like a CLEC in all aspects. The ILEC is required to show that the request is in the public interest. Upon the change in the statute, the ILEC shall also demonstrate that its competition is sufficient and sustainable so regulation can be supplanted. However, the FPSC is no longer required to “determine the extent to which the level of competition faced by the local exchange telecommunications company permits and will continue to permit the company to have its retail services regulated no differently than the competitive local exchange telecommunications companies are then being regulated.”

Staff Implementation - Staff does not believe there is any action required until an ILEC reaches parity and a request for a lessening of the service standards is made or a petition to be treated as a CLEC is filed. Under either, a recommendation will be filed to be considered at agenda.

Key Events

Timeline

BellSouth and Verizon reach parity
Embarq reaches parity

November 2007
November 2008

4. Carrier of Last Resort Obligations (Pages 22-24 of Attachment B)

Summary – The ILECs are carriers of last resort (COLR) and as such have certain obligations to provide service. There were no exceptions to the COLR obligation. Under the new law, the COLR obligation is eliminated under certain circumstances delineated in the statute. The circumstances involve situations where developers or multi-tenant building owners enter into agreements with providers of telecommunications service that limit or prohibit the ILEC’s ability to provide service or have property access. The FPSC must be notified each time an ILEC is relieved of its COLR obligation.

The ILECs may also ask the FPSC for a waiver of the COLR obligations beyond the circumstances laid out in the statutes. The ILECs must show good cause based on individual facts and circumstances. The company must notify the relevant building owner or developer. The FPSC has 90 days to act on the request for waiver and must implement rules to follow when a petition is filed.

If circumstances change and there is a written request by the developer or owner for service, the COLR obligation will again exist. If it is necessary for the ILEC to install facilities, the ILEC may ask for incremental costs above what the original facility installation costs would have been.

Staff Implementation - Staff is drafting a new rule to implement the new statute. The rule will address ILEC notices to the FPSC when the statute waiver provisions have been met and will address the petition requirements for a waiver of COLR obligations for circumstances outside those delineated in the statute. Staff will hold a workshop to receive comments and input on the draft rule. (Lead staff, Rick Moses)

Key Events

Timeline

FAW Notice of Rule Development
Workshop
Comments Due
Proposed Rule to Agenda

August 25, 2006
September 14, 2006
October 5, 2006
December 5, 2006

cc: Charles H. Hill
Michael Cooke

SELECTED SECTIONS OF SB 888

1. Florida Energy Commission

pages 23-24 of SB 888

Section 8 - Florida Energy Commission of SB 888

Section 377.901, F.S.

(b) The following may also attend meetings and provide information and advise at the request of the chair:

1. The chair of the Florida Public Service Commission, or his or her designee.
2. The Public Counsel, or his or her designee.
3. The Commissioner of Agriculture, or his or her designee.
4. The Director of the Office of Insurance Regulation, or his or her designee.
5. The Secretary of Health, or his or her designee.
6. The chair of the State Board of Education, or his or her designee.
7. The Secretary of Community Affairs, or his or her designee.
8. The Secretary of Transportation, or his or her designee.
9. The Secretary of Environmental Protection, or his or her designee.

2. Renewable Tax Credits

page 38 of SB 888

Section 220.193(3), F.S.

(a) The credit shall be \$0.01 for each kilowatt-hour of electricity produced and sold by the taxpayer to an unrelated party during a given tax year.

(b) The credit may be claimed for electricity produced and sold on or after January 1, 2007. Beginning in 2008 and continuing until 2011, each taxpayer claiming a credit under this section must first apply to the department by February 1 of each year for an allocation of available credit. The department, in consultation with the commission, shall develop an application form. The application form shall, at a minimum, require a sworn affidavit from each taxpayer certifying the increase in production and sales that form the basis of the application and certifying that all information contained in the application is true and correct.

3. Goals for Renewable Generators

page 46 of SB 888

Section 366.92(2), F.S.

(3) The commission may adopt appropriate goals for increasing the use of existing, expanded, and new Florida renewable energy resources. The commission may change the goals. The commission may review and reestablish the goals at least once every five years.

4. Transmission Reliability

pages 46-47 of SB 888

Section 19 of SB 888

(1) The Florida Public Service Commission shall direct a study of the electric transmission grid in the state. The study shall look at electric system reliability to examine the efficiency and reliability of power transfer and emergency contingency conditions. In addition, the study shall examine the hardening of infrastructure to address issues arising from the 2004 and 2005 hurricane seasons. A report of the results of the study shall be provided to the Governor, the President of the Senate, and the Speaker of the House of Representatives by March 1, 2007.

5. Electric Infrastructure Hardening

page 47 of SB 888

Section 19 of SB 888

(2) The commission shall conduct a review to determine what should be done to enhance the reliability of Florida's transmission and distribution grids during extreme weather events, including the strengthening of distribution and transmission facilities. Considerations may include:

(a) Recommendations for promoting and encouraging underground electric distribution for new service or construction provided by public utilities.

(b) Recommendations for promoting and encouraging the conversion of existing overhead distribution facilities to underground facilities, including any recommended incentives to local governments for local-government-sponsored conversions.

(c) Recommendations as to whether incentives for local-government-sponsored conversions should include participation by a public utility in the conversion costs as an investment in the reliability of the grid in total, with such investment recognized as a new plant in service for regulatory purposes.

(d) Recommendations for promoting and encouraging the use of road rights-of-way for the location of underground facilities in any local-government-sponsored conversion project, provided the customers of the public utility do not incur increased liability and future relocation costs.

(3) The commission shall submit its review and recommendations to the Governor, the President of the Senate, and the Speaker of the House of Representatives by July 1, 2007.

6. Nuclear Generating Plants

pages 104, 106-107 of SB 888

Section 403.519(4)(b), F.S.

(b) In making its determination, the commission shall take into account matters within its jurisdiction, which it deems relevant, including whether the nuclear power plant will:

1. Provide needed base-load capacity.
2. Enhance the reliability of electric power production within the state by improving the balance of power plant fuel diversity and reducing Florida's dependence on fuel oil and natural gas.
3. Provide the most cost-effective source of power, taking into account the need to improve the balance of fuel diversity, reduce Florida's dependence on fuel oil and natural gas, reduce air emission compliance costs, and contribute to the long-term stability and reliability of the electric grid.

Section 366.93(2), F.S.

(2) Within 6 months after the enactment of this act, the commission shall establish, by rule, alternative cost recovery mechanisms for the recovery of costs incurred in the siting, design, licensing, and construction of a nuclear power plant. Such mechanisms shall be designed to promote utility investment in nuclear power plants and allow for the recovery in rates all prudently incurred costs, and shall include, but are not limited to:

(a) Recovery through the capacity cost recovery clause of any preconstruction costs.

(b) Recovery through an incremental increase in the utility's capacity cost recovery clause rates of the carrying costs on the utility's projected construction cost balance associated with the nuclear power plant. To encourage investment and provide certainty, for nuclear power plant need petitions submitted on or before December 31, 2010, associated carrying costs shall be equal to the pretax AFUDC in effect upon this act becoming law. For nuclear power plants for which need petitions are submitted after December 31, 2010, the utility's existing pretax AFUDC rate is presumed to be appropriate unless determined otherwise by the commission in the determination of need for the nuclear power plant.

7. Fuel Diversity

pages 43, 45, 102 of SB888

Section 186.801(2), F.S.

In its preliminary study of each 10-year site plan, the commission shall consider such plan as a planning document and shall review:

(a) The need, including the need as determined by the commission, for electrical power in the area to be served.

(b) The effect on fuel diversity within the state.

~~(c)~~ (b) The anticipated environmental impact of each proposed electrical power plant site.

~~(d)~~ (e) Possible alternatives to the proposed plan.

(e)(d) The views of appropriate local, state, and federal agencies, including the views of the appropriate water management district as to the availability of water and its recommendation as to the use by the proposed plant of salt water or fresh water for cooling purposes.

(f)(e) The extent to which the plan is consistent with the state comprehensive plan.

(g)(f) The plan with respect to the information of the state on energy availability and consumption.

Section 366.05(8), F.S.

(8) If the Commission determines that there is probable cause to believe that inadequacies exist with respect to the energy grids developed by the electric utility industry, including inadequacies in fuel diversity or fuel supply reliability, it shall have the power, after proceedings as provided by law, and after finding that mutual benefits will accrue to the electric utilities involved, to require installation or repair of necessary facilities, including generating plants and transmission facilities, with the costs to be distributed in proportion to the benefits received, and to take all necessary steps to ensure compliance.

Section 403.519(3), F.S.

(3) The commission shall be the sole forum for the determination of this matter, which accordingly shall not be raised in any other forum or in the review of proceedings in such other forum. In making its determination, the commission shall take into account the need for electric system reliability and integrity, the need for adequate electricity at a reasonable cost, the need for fuel diversity and supply reliability, and whether the proposed plant is the most cost-effective alternative available. The commission shall also expressly consider the conservation measures taken by or reasonably available to the applicant or its members which might mitigate the need for the proposed plant and other matters within its jurisdiction which it deems relevant. The commission's determination of need for an electrical power plant shall create a presumption of public need and necessity and shall serve as the commission's report required by s. 403.507(4)403.507(2)(a)2. An order entered pursuant to this section constitutes final agency action.

8. Construction Standards

pages 44–45 of SB 888

Section 366.04(6), F.S.

In adopting safety standards, the commission shall, at a minimum:

- (a) Adopt the 1984 edition of the National Electrical Safety Code (ANSI C2) as initial standards; and (b) Adopt, after review, any new edition of the National Electrical Safety Code (ANSI C2).

Section 366.05(1), F.S.

(1) In the exercise of such jurisdiction, the commission shall have power to prescribe fair and reasonable rates and charges, classifications, standards of quality and measurements, including the ability to adopt construction standards that exceed the

National Electrical Safety Code, for purposes of ensuring the reliable provision of service, and service rules and regulations to be observed by each public utility; to require repairs, improvements, additions, replacements, and extensions to the plant and equipment of any public utility when reasonably necessary to promote the convenience and welfare of the public and secure adequate service or facilities for those reasonably entitled thereto; to employ and fix the compensation for such examiners and technical, legal, and clerical employees as it deems necessary to carry out the provisions of this chapter; and to adopt rules pursuant to ss. 120.536(1) and 120.54 to implement and enforce the provisions of this chapter.

9. Approval of Metering Equipment

page 15 of SB 888

377.803 Definitions.--As used in ss. 377.801-377.806, the term:

(1) "Act" means the Florida Renewable Energy Technologies and Energy Efficiency Act.

(2) "Approved metering equipment" means a device capable of measuring the energy output of a solar thermal system that has been approved by the commission.

(3) "Commission" means the Florida Public Service Commission.

SB 142

ENROLLED

2006 Legislature

CS for CS for SB 142, 2nd Engrossed

1
2 An act relating to communications; amending s.
3 364.051, F.S., relating to price regulation;
4 allowing a telecommunications company to
5 publicly publish price lists for nonbasic
6 services; providing guidelines for such
7 publication; allowing 1 day's notice for price
8 changes to nonbasic services; deleting a
9 company's option to elect that its basic
10 services be treated as nonbasic services;
11 requiring a company to request that the Public
12 Service Commission lessen its service quality
13 regulation; providing criteria for granting a
14 petition to change regulatory treatment of
15 retail services; amending s. 364.025, F.S.;

16 providing definitions; providing that a local
17 exchange telecommunications company obligated
18 to serve as the carrier of last resort is not
19 obligated to provide basic local
20 telecommunications service to customers in a
21 multitenant business or residential property
22 under certain circumstances; requiring the
23 local exchange telecommunications company to
24 notify the Public Service Commission when it is
25 relieved of the obligation to provide service;
26 providing for the local exchange
27 telecommunications company to request a waiver
28 of its carrier of last resort obligation from
29 the commission; providing for carrier of last
30 resort obligation to apply when specified
31 conditions cease to exist; providing for effect

1

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

1 of the act on the commission's jurisdiction;
2 providing an appropriation; providing an
3 effective date.

4
5 Be It Enacted by the Legislature of the State of Florida:

6
7 Section 1. Subsections (5), (6), and (7) of section
8 364.051, Florida Statutes, are amended to read:

9 364.051 Price regulation.--

10 (5) NONBASIC SERVICES.--Price regulation of nonbasic
11 services shall consist of the following:

12 (a) Each company subject to this section shall, at its
13 option, maintain tariffs with the commission or otherwise
14 publicly publish ~~containing~~ the terms, conditions, and rates
15 for each of its nonbasic services, and may set or change, on 1
16 day's ~~15 days'~~ notice, the rate for each of its nonbasic
17 services. For a company electing to publicly publish the
18 terms, conditions, and rates for each of its nonbasic
19 services, the commission may establish guidelines for the
20 publication. The guidelines may not require more information
21 than what is required to be filed with a tariff. The, ~~except~~
22 ~~that~~ a price increase for any nonbasic service category shall
23 not exceed 6 percent within a 12-month period until there is
24 another provider providing local telecommunications service in
25 an exchange area at which time the price for any nonbasic
26 service category may be increased in an amount not to exceed
27 20 percent within a 12-month period, and the rate shall be
28 presumptively valid. However, for purposes of this
29 subsection, the prices of:

30 1. A voice-grade, flat-rate, multi-line business local
31 exchange service, including multiple individual lines, centrex

1 lines, private branch exchange trunks, and any associated
2 hunting services, that provides dial tone and local usage
3 necessary to place a call within a local exchange calling
4 area; and

5 2. Telecommunications services provided under contract
6 service arrangements to the SUNCOM Network, as defined in
7 chapter 282,

8
9 shall be capped at the rates in effect on July 1, 1995, and
10 such rates shall not be increased prior to January 1, 2000;
11 provided, however, that a petition to increase such rates may
12 be filed pursuant to subsection (4) utilizing the standards
13 set forth therein. There shall be a flat-rate pricing option
14 for multi-line business local exchange service, and mandatory
15 measured service for multi-line business local exchange
16 service shall not be imposed. Nothing contained in this
17 section shall prevent the local exchange telecommunications
18 company from meeting offerings by any competitive provider of
19 the same, or functionally equivalent, nonbasic services in a
20 specific geographic market or to a specific customer by
21 deaveraging the price of any nonbasic service, packaging
22 nonbasic services together or with basic services, using
23 volume discounts and term discounts, and offering individual
24 contracts. However, the local exchange telecommunications
25 company shall not engage in any anticompetitive act or
26 practice, nor unreasonably discriminate among similarly
27 situated customers.

28 (b) The commission shall have continuing regulatory
29 oversight of nonbasic services for purposes of ensuring
30 resolution of service complaints, preventing
31 cross-subsidization of nonbasic services with revenues from

1 basic services, and ensuring that all providers are treated
2 fairly in the telecommunications market. The cost standard
3 for determining cross-subsidization is whether the total
4 revenue from a nonbasic service is less than the total
5 long-run incremental cost of the service. Total long-run
6 incremental cost means service-specific volume and
7 nonvolume-sensitive costs.

8 (c) The price charged to a consumer for a nonbasic
9 service shall cover the direct costs of providing the service
10 and shall, to the extent a cost is not included in the direct
11 cost, include as an imputed cost the price charged by the
12 company to competitors for any monopoly component used by a
13 competitor in the provision of its same or functionally
14 equivalent service.

15 (6) After a local exchange telecommunications company
16 that has more than 1 million access lines in service has
17 reduced its intrastate switched network access rates to
18 parity, as defined in s. 364.164(5), the local exchange
19 telecommunications company's ~~basic local telecommunications~~
20 ~~service may, at the company's election, be subject to the same~~
21 ~~regulatory treatment as its nonbasic services. The company's~~
22 retail service quality requirements that are not already equal
23 to the service quality requirements imposed upon the
24 competitive local exchange telecommunications companies shall
25 at the company's request to the commission ~~thereafter~~ be no
26 greater than those imposed upon competitive local exchange
27 telecommunications companies unless the commission, within 120
28 days after the company's request ~~election~~, determines
29 otherwise. In such event, the commission may grant some
30 reductions in service quality requirements in some or all of
31 the company's local calling areas. The commission may not

1 impose retail service quality requirements on competitive
2 local exchange telecommunications companies greater than those
3 existing on January 1, 2003.

4 (7) After ~~If~~ a local exchange telecommunications
5 company that has more than 1 million access lines in service
6 has reduced its intrastate switched network access rates to
7 parity, as defined in s. 364.164(5) elects, pursuant to
8 ~~subsection (6), to subject its retail basic local~~
9 ~~telecommunications services to the same regulatory treatment~~
10 ~~as its nonbasic services,~~ the local exchange
11 telecommunications company may petition the commission for
12 regulatory treatment of its retail services at a level no
13 greater than that imposed by the commission upon competitive
14 local exchange telecommunications companies. The local
15 exchange telecommunications company shall:

16 (a) Show that granting the petition is in the public
17 interest;

18 **(b) Demonstrate that the competition faced by the**
19 **company is sufficient and sustainable to allow such**
20 **competition to supplant regulation by the commission; and**

21 ~~(c)~~ ~~(b)~~ Reduce its intrastate switched network access
22 rates to its local reciprocal interconnection rate upon the
23 grant of the petition.

24
25 The commission shall act upon such a petition within 9 months
26 after its filing with the commission. ~~In making its~~
27 ~~determination to either grant or deny the petition, the~~
28 ~~commission shall determine the extent to which the level of~~
29 ~~competition faced by the local exchange telecommunications~~
30 ~~company permits and will continue to permit the company to~~
31 ~~have its retail services regulated no differently than the~~

1 ~~competitive local exchange telecommunications companies are~~
2 ~~then being regulated.~~ The commission may not increase the
3 level of regulation for competitive local exchange
4 telecommunications companies to a level greater than that
5 which exists on the date the local exchange telecommunications
6 company files its petition.

7 Section 2. Subsection (6) is added to section 364.025,
8 Florida Statutes, to read:

9 364.025 Universal service.--

10 (6) (a) For purposes of this subsection:

11 1. "Owner or developer" means the owner or developer
12 of a multitenant business or residential property, any
13 condominium association or homeowners' association thereof, or
14 any other person or entity having ownership in or control over
15 the property.

16 2. "Communications service provider" means any person
17 or entity providing communications services, any person or
18 entity allowing another person or entity to use its
19 communications facilities to provide communications services,
20 or any person or entity securing rights to select
21 communications service providers for a property owner or
22 developer.

23 3. "Communications service" means voice service or
24 voice replacement service through the use of any technology.

25 (b) A local exchange telecommunications company
26 obligated by this section to serve as the carrier of last
27 resort is not obligated to provide basic local
28 telecommunications service to any customers in a multitenant
29 business or residential property, including, but not limited
30 to, apartments, condominiums, subdivisions, office buildings,
31 or office parks, when the owner or developer thereof:

1 1. Permits only one communications service provider to
2 install its communications service-related facilities or
3 equipment, to the exclusion of the local exchange
4 telecommunications company, during the construction phase of
5 the property;

6 2. Accepts or agrees to accept incentives or rewards
7 from a communications service provider that are contingent
8 upon the provision of any or all communications services by
9 one or more communications service providers to the exclusion
10 of the local exchange telecommunications company;

11 3. Collects from the occupants or residents of the
12 property charges for the provision of any communications
13 service, provided by a communications service provider other
14 than the local exchange telecommunications company, to the
15 occupants or residents in any manner, including, but not
16 limited to, collection through rent, fees, or dues; or

17 4. Enters into an agreement with the communications
18 service provider which grants incentives or rewards to such
19 owner or developer contingent upon restriction or limitation
20 of the local exchange telecommunications company's access to
21 the property.

22 (c) The local exchange telecommunications company
23 relieved of its carrier-of-last-resort obligation to provide
24 basic local telecommunications service to the occupants or
25 residents of a multitenant business or residential property
26 pursuant to paragraph (b) shall notify the commission of that
27 fact in a timely manner.

28 (d) A local exchange telecommunications company that
29 is not automatically relieved of its carrier-of-last-resort
30 obligation pursuant to subparagraphs (b)1.-4. may seek a
31 waiver of its carrier-of-last-resort obligation from the

1 commission for good cause shown based on the facts and
2 circumstances of provision of service to the multitenant
3 business or residential property. Upon petition for such
4 relief, notice shall be given by the company at the same time
5 to the relevant building owner or developer. The commission
6 shall have 90 days to act on the petition. The commission
7 shall implement this paragraph through rulemaking.

8 (e) If all conditions described in subparagraphs
9 (b)1.-4. cease to exist at a property, the owner or developer
10 requests in writing that the local exchange telecommunications
11 company make service available to customers at the property
12 and confirms in writing that all conditions described in
13 subparagraphs (b)1.-4. have ceased to exist at the property
14 and the owner or developer has not arranged and does not
15 intend to arrange with another communications service provider
16 to make communications service available to customers at the
17 property, the carrier-of-last-resort obligation under this
18 section shall again apply to the local exchange
19 telecommunications company at the property; however, the local
20 exchange telecommunications company may require that the owner
21 or developer pay to the company in advance a reasonable fee to
22 recover costs that exceed the costs that would have been
23 incurred to construct or acquire facilities to serve customers
24 at the property initially, and the company shall have a
25 reasonable period of time following the request from the owner
26 or developer to make arrangements for service availability. If
27 any conditions described in subparagraphs (b)1.-4. again exist
28 at the property, paragraph (b) shall again apply.

29 (f) This subsection does not affect the limitations on
30 the jurisdiction of the commission imposed by s. 364.011 or s.
31 364.013.

ENROLLED

2006 Legislature

CS for CS for SB 142, 2nd Engrossed

1 Section 3. The sum of \$800,000 of recurring funds from
2 the General Revenue Fund is appropriated to the Office of
3 Public Counsel for the 2006-2007 fiscal year.

4 Section 4. This act shall take effect upon becoming a
5 law.

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ATTACHMENT C

PREVIOUS ACTIONS TAKEN ON ELECTRIC INFRASTRUCTURE HARDENING

- January 23, 2006: The staff conducted a workshop to discuss the damage incurred to electric utility facilities and to explore ways of mitigating future storm damage and resulting customer outages.
- February 27, 2006 Internal Affairs: Based on the comments received at the January 23, 2006 workshop, the FPSC directed staff to initiate a series of actions to address the effects of extreme weather events on the electric infrastructure.
- February 27, 2006: The FPSC issued Order Number PSC-06-0144-PAA-EI requiring investor-owned electric utilities to implement ten-year wood pole inspections.
- April 25, 2006: The FPSC issued Order Number PSC-06-0351-PAA-EI which directed the electric utilities to provide a Hurricane Preparedness Briefing at the June 5, 2006 Internal Affairs and to file plans and estimated implementation costs for ongoing storm preparedness initiatives by June 1, 2006.
- April 25, 2006: In Order Number PSC-06-0351-PAA-EI, staff was also directed to initiate rulemaking to adopt more stringent construction standards (Docket No. 060173-EU) and to identify areas and circumstances where distribution facilities should be constructed underground (Docket No. 060172-EU).
- June 20, 2006 Agenda: The FPSC voted to propose rules requiring electric utilities to establish construction standards for overhead and underground distribution facilities which exceed the requirements of the National Electrical Safety Code and reflect extreme wind standards and measures to protect against flooding and storm surges for critical electrical infrastructure. The proposed rules also require costs of hardening the electric infrastructure be reflected in the contribution-in-aid-of construction (CIAC) charged for new underground facilities and conversions from overhead to underground. Differences in operational costs between overhead and underground facilities must also be included in CIAC calculations.

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: August 7, 2006

TO: Mary Andrews Bane, Executive Director

FROM: Division of Competitive Markets & Enforcement (C. Williams, Casey) *PK*
Division of Regulatory Compliance & Consumer Assistance (Golden, DeMello) *MSA*

RE: Action Plan for Link-Up Florida and Lifeline Assistance Programs.
Critical Information: Please place on the August 15, 2006, Internal Affairs. Briefing Only.

At the December 20, 2005, Internal Affairs, staff presented the draft Link-Up and Lifeline Report to the Governor, Senate President, and Speaker of the House to Commissioners for approval. At that meeting, staff communicated that it planned to analyze data collected from the simplified certification initiative, along with findings from the Public Utility Research Center (PURC) Study, and present recommendations to Commissioners for future action.

At the February 27, 2006, Internal Affairs, the Commission approved staff's Action Plan to improve the success of the Link-Up and Lifeline programs, and instructed staff to proceed with implementation. As directed by the Commission, a Link-Up and Lifeline workshop was held on April 11, 2006, to evaluate the impact of current efforts, and explore adoption of new initiatives. Valuable input was received during the workshop and incorporated into staff's Action Plan. Workshop participants included the Commission, eligible telecommunications carriers (ETCs), Office of Public Counsel (OPC), Florida Telecommunications Industry Association (FTIA), Florida Cable Telecommunications Association (FCTA), PURC, Florida Public Telecommunications Association (FPTA), KMR Consultants, Linking Solutions, and AARP.

The following is an update on implementation of staff's Link-Up and Lifeline Action Plan. The document addresses completed tasks, tasks currently in progress, and tasks planned for future implementation. In addition, staff is developing the 2006 Link-Up and Lifeline Report to the Governor, Senate President, and Speaker of the House. Details pertaining to implementation of the Link-Up and Lifeline Action Plan will be presented in the 2006 Report. Staff's intent is to proceed with implementation of the Action Plan as presented.

cc: Charles Hill
Michael Cooke

**Link-Up and Lifeline Action Plan
Status Report
August 7, 2006**

2006

Timeline

Implementation

April

Link-Up and Lifeline Workshop

April

Commissioners' Monthly Columns on Utility Topics

- Completed and distributed Commissioner Carter's April 2006 Monthly Consumer Bulletin on the topic of Link-Up and Lifeline. The bulletin was distributed to 642 churches, newspapers, and area community action agencies designated by Commissioner Carter.

April - Aug

Lifeline Training

- Conducted four Lifeline training sessions for PSC staff on April 26 and 27, attended by 142 staff members. Several staff subsequently volunteered to provide educational materials to their churches or community organizations.
- Provided Lifeline presentation and exhibit at the Florida Association for Community Action's 26th Annual Training Conference in Orlando on May 11.
- Completed a CD version of the PowerPoint Lifeline training presentation that includes the audio voice-over so that agency and organization staff who are unable to attend a live training presentation may still receive the same information in an easy to use format.
- Provided Lifeline presentation at the Florida Telecommunications Relay, Inc.'s Annual Conference in Tampa on June 14.
- Provided Lifeline presentation at the Florida Voters League, Inc.'s 48th Annual Convention in Ocala on June 24. Commissioner Carter was also a featured speaker at the Convention.
- Scheduled to provide a Lifeline Exhibit at the Florida Conference on Aging in Tampa on August 14 and 15.

April – Sept

Back-to-School Lifeline Project

- Partnered with the Incumbent Local Exchange Carriers (ILECs), Office of Public Counsel (OPC), and Linking Solutions to develop the 2006-2007 Back-to-School Lifeline Project.
- Completed development of a new joint Lifeline application that represents all 10 ILECs and allows customers to self-certify that they participate in an eligible program. The new application includes the State Seal to help increase consumer confidence in the programs.
- Completed development of a new Lifeline Back-to-School Brochure which includes information and Lifeline applications in both English and Spanish within one brochure.
- Completed development of a similar Lifeline Back-to-School Brochure in Haitian Creole as required by the Dade County School System. The brochure includes the new Lifeline application showing the State Seal.
- ILECs will continue distributing the brochures to the targeted counties through early August.
- Completed development of a PSC news release to coincide with the school start dates in each of the targeted counties. The first news release was issued on July 28. Additional news releases are anticipated for August 4 and 11.

April – Dec

New State Agency Lifeline Projects

- Continued working with representatives of the Department of Children and Families (DCF) to provide Lifeline educational materials to eligible clients who are assisted through the ACCESS Florida Partner organizations. Effective June 19, the DCF implemented a Lifeline link on its ACCESS Florida Web page that will assist DCF clients with obtaining Lifeline information and applications from the PSC's Web site.
- Continued working with Front Porch Florida on a joint project to promote awareness and participation in Lifeline. Completed development of a joint brochure including the Front Porch Florida logo. Participated in a Front Porch Florida Training Meeting in Tallahassee on June 28.
- Began working with the Department of Revenue's Child Support Enforcement Program to enlist their assistance in providing Lifeline educational materials to program clients.

- Began working with the following agencies and organizations to request implementation of new or updating of existing Lifeline Web links to make Lifeline information and applications more accessible to eligible consumers who seek assistance through the various agency Web sites: Agency for Health Care Administration (AHCA), Agency for Workforce Innovation (AWI), Florida Department of Community Affairs (DCA), Florida Department of Education (DOE), Florida Department of Elder Affairs (DEA), Florida Department of Revenue (DOR), OPC, Social Security Administration (SSA), Workforce Florida, Inc., and the AARP.
- Began new initiative with the DCA's Division of Housing and Community Development to provide updated Lifeline brochures and applications to all of the local agencies that administer the Low-Income Home Energy Assistance Program (LIHEAP). Previously these agencies have assisted with providing brochures to eligible consumers. The DCA has agreed to request that the local agencies also begin assisting consumers with completing a Lifeline application when they apply for LIHEAP.

April - Dec

Lifeline Rulemaking

- Drafted Rule 25-4.0665, Lifeline Service, to implement the procedural requirements of Florida eligible telecommunications carriers (ETCs) with respect to Lifeline service as set forth in Section 364.10, Florida Statutes. The proposed rule:
 - Requires ETCs to provide Lifeline customers a 60 day written notice prior to the termination of Lifeline service.
 - Provides that if a customer's Lifeline service is terminated, and the customer subsequently presents proof of Lifeline eligibility, the ETC shall reinstate the customer's Lifeline service as soon as practicable, but no later than 60 days following receipt of proof of eligibility.
 - A workshop to discuss the proposed rule was held on June 21, 2006.
 - Staff is developing a recommendation for Commission consideration.
- Initiation of new rulemaking proceeding to:
 - Codify Florida's Lifeline Program.
 - Clarify the Lifeline responsibilities of all Florida ETCs.
 - Establish procedures to expedite the enrollment process.

- Require the filing of quarterly reports on Lifeline participation.
- A workshop will be held to solicit input from affected persons and parties.

April - Dec Electronic Enrollment

- Met with DCF to discuss their participation in the development of a process that would provide eligible consumers the opportunity to be electronically enrolled in Lifeline once they are deemed eligible to receive services under the DCF.
- Discussed the electronic enrollment process with Florida ETCs to identify potential implementation issues along with solutions that could be employed to resolve those issues.

April - Dec Commissioner Radio Public Service Announcements (PSAs) in English and Spanish

- Continued working with radio stations to air Commissioner Arriaga’s and Commissioner Carter’s Lifeline radio PSAs. The PSAs have been airing on local stations across the state.
- Mailed follow-up survey to 84 participating radio stations on July 28 to request feedback regarding each stations’ use of the Lifeline PSAs and any response they received from consumers. The survey responses will be analyzed to determine if changes are needed that would increase the effectiveness of the PSAs.

April - Dec Commissioner Lifeline Educational Segments in English and Spanish

- Completed filming Lifeline Segments at WFSU featuring Commissioner Arriaga and Commissioner Carter. Completed review and editing process with WFSU. Awaiting delivery of final edited tapes from WFSU.
- Continued working with WFSU to find television stations to broadcast the Lifeline Segments.

May PSC On-Hold Message

- Implemented a new system whereby individuals who call the Commission and are placed on hold will hear a short PSA about Lifeline.

May

Educational Displays at Community Events

- Participated in four Senior Days Events in May as follows:
 - May 4: Miccosukee
 - May 11: Woodville
 - May 16: Fort Braden
 - May 23: Chaires
- Scheduled to provide a Lifeline Exhibit at the “Gadsden County Community Come Together Day” on September 9.

June

Commission Web Site Home Page Link with Online Application

- Began development of a process whereby customers can obtain information and complete an enrollment application via the Commission, OPC, DCF including its ACCESS Florida Web site, DOE, DCA, DEA, AHCA, AWI, DOR, AARP, and ETC Web sites.

June

Telephone Voice Prompt Information and Enrollment

- Began discussions for a system whereby a customer who calls an ETC or the PSC receives a recorded message on the Main Menu that informs them about the Link-Up and Lifeline programs and how to enroll.
- Currently the PSC’s Main Menu advises consumers to call their local telephone company for eligibility requirements. Options are being considered to update the recording to be more informative and advise consumers that a Lifeline application may be obtained on the PSC’s Web site or requested by mail.

July - Aug

Docket No. 040604-TL – Adoption of the National School Lunch Program and an income-based criterion at or below 135% of the Federal Poverty Guidelines as eligibility criteria for the Lifeline and Link-Up programs.

- The Commission approved staff’s recommendation to expand the National School Lunch Program (NSLP) – Free Lunch and simplified certification enrollment process to all ETCs doing business in the State of Florida at the July 18, 2006, Commission Agenda. The 21-day protest period for the proposed agency action expires on August 28, 2006.

July - Aug

PSC Library Outreach Program

- Continued working on PSC’s annual Library Outreach Program, which includes distribution of Lifeline brochures and applications to 280 Florida public libraries and branches.

July - Oct

Lifeline Awareness Week

- Partnered with the ILECs, OPC, and Linking Solutions to develop the 2006 Lifeline Awareness Week to promote program awareness throughout the state. Participation from additional agencies and organizations will be requested.
- The PSC will request a Lifeline Awareness Week Proclamation from Governor Bush.
- Lifeline Awareness Week is tentatively scheduled for the week of October 16. Possible events include a kick-off ceremony in Tallahassee at the Capital Courtyard, followed by similar Lifeline promotional events in other cities during that week. PSC news releases would be issued prior to the planned events and media coverage of the events would be encouraged.

Planned

Interagency Agreement

- Revise the existing Interagency Agreement to clarify the role of partner agencies.

Planned

Lifeline Advisory Committee

- The PSC would establish a Lifeline Advisory Committee comprised of industry representatives, PSC staff, Office of Public Counsel staff, partner agencies, and other community-based partners to review and support Lifeline policies, implementation, and outreach efforts.