

FLORIDA PUBLIC SERVICE COMMISSION

COMMISSION CONFERENCE AGENDA

CONFERENCE DATE AND TIME: June 21, 2005, 9:30 a.m.

LOCATION: Room 148, Betty Easley Conference Center

DATE ISSUED: June 10, 2005

NOTICE

Persons affected by Commission action on certain items on this agenda for which a hearing has not been held (other than actions on interim rates in file and suspend rate cases) may be allowed to address the Commission when those items are taken up for discussion at this conference. These items are designated by double asterisks (**) next to the agenda item number.

Included in the above category are items brought before the Commission for tentative or proposed action which will be subject to requests for hearing before becoming final. These actions include all tariff filings, items identified as proposed agency action (PAA), show cause actions and certain others.

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Agenda for
Commission Conference
June 21, 2005

ITEM NO. CASE

1** Consent Agenda

PAA A) Request for cancellation of competitive local exchange telecommunications certificate.

<u>DOCKET NO.</u>	<u>COMPANY NAME</u>	<u>EFFECTIVE DATE</u>
050320-TX	Buy-Tel Communications, Inc.	5/10/2005

RECOMMENDATION: The Commission should approve the action requested in the docket referenced above and close this docket.

ITEM NO.

CASE

2**

Docket No. 050108-OT – Proposed revisions to rules in Chapter 25-22 and 25-40, F.A.C.

Critical Date(s): None

Rule Status: Proposed

Commissioners Assigned: All Commissioners

Prehearing Officer: Edgar

Staff: GCL: Stern, Smith, Melson

ECR: Hewitt

Issue 1: Should the Commission propose the amendments to Chapters 25-22 and 25-40, Florida Administrative Code, shown on Attachments 1 and 2 to staff's March 24, 2005 recommendation?

Recommendation: Yes. The Commission should propose the amendments to the Chapters as shown on Attachments 1 and 2 to staff's recommendation.

Issue 2: Should this docket be closed?

Recommendation: Yes. If no comments or requests for hearing are filed, the rule as proposed should be filed for adoption with the Secretary of State and the docket should be closed.

ITEM NO.

CASE

3**PAA

Docket No. 050220–EU – Joint petition for approval of amendment to territorial agreement in Orange County by Orlando Utilities Commission and Progress Energy Florida, Inc. (Deferred from

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Bradley

Staff: GCL: Jaeger

ECR: Windham

Issue 1: Should the Commission approve the Joint Petition for approval of an Amendment to Territorial Agreement between Orlando Utilities Commission and Progress Energy Florida, Inc.?

Recommendation: Yes. The Amendment to Territorial Agreement between Orlando Utilities Commission and Progress Energy Florida, Inc. appears to be in the public interest, and the Amendment should be approved. The Amendment should become effective upon the issuance of a Consummating Order finalizing the Proposed Agency Action Order approving this Amendment.

Issue 2: Should this docket be closed?

Recommendation: Yes. If no timely protest to the proposed agency action is filed by a substantially affected person within 21 days, this docket should be closed upon the issuance of the Consummating Order. In the event there is a timely protest, this docket should remain open pending resolution of the protest.

ITEM NO.

CASE

4**

Docket No. 040028-TP – Complaint and request for summary disposition to enforce contract audit provisions in interconnection agreement with NewSouth Communications Corp., by BellSouth Telecommunications, Inc.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Edgar

Staff: GCL: Susac

CMP: Wright

Issue 1: Should the Commission grant BellSouth Telecommunications, Inc.'s Motion For Summary Disposition?

Recommendation: Yes. Staff recommends granting BellSouth's Motion for Summary Disposition and allowing BellSouth, at its sole expense, and upon thirty (30) days notice to NewSouth, to audit NewSouth's records to verify the type of traffic being transmitted over loop and transport combinations, also known as Enhanced Extended Link (EELs). Staff recommends requiring BellSouth to serve NewSouth with notice of its intent to conduct the audit, thirty (30) days in advance of the audit.

Issue 2: Should this Docket be closed?

Recommendation: Yes. In the event BellSouth's Motion for Summary Disposition is granted, staff recommends closing the docket because no further action is needed by the Commission.

ITEM NO.

CASE

5**

Docket No. 040527-TP – Complaint to enforce interconnection agreement with NuVox Communications, Inc. by BellSouth Telecommunications, Inc.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Edgar

Staff: GCL: Rojas, Susac

CMP: Wright

Issue 1: Should the Commission grant BellSouth Telecommunications, Inc.'s Motion For Summary Disposition?

Recommendation: Yes. Staff recommends granting BellSouth's Motion for Summary Disposition and allowing BellSouth, at its sole expense, and upon thirty (30) days notice to NuVox, to audit NuVox's records to verify the type of traffic being transmitted over loop and transport combinations, also known as Enhanced Extended Link (EELs).

Issue 2: Should this Docket be closed?

Recommendation: Yes. In the event BellSouth's Motion for Summary Disposition is granted, staff recommends closing the docket because no further action is needed by the Commission.

ITEM NO.

CASE

6**

Docket No. 040732-TP – Complaint against BellSouth Telecommunications, Inc. seeking resolution of monetary dispute regarding alleged overbilling under interconnection agreement, and requesting stay to prohibit any discontinuance of service pending resolution of matter, by Saturn Telecommunications Services, Inc. d/b/a STS Telecom.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Edgar

Staff: GCL: Fordham

CMP: King

Issue 1: Should the Commission grant BellSouth's Motion to Strike STS's Response to BellSouth's Motion for Summary Final Order?

Recommendation: Yes. The Commission should grant BellSouth's Motion to Strike STS's Response to BellSouth's Motion for Summary Final Order. If the Commission approves staff's recommendation, staff believes this renders STS's Emergency Motion to File Supplemental Response moot.

Issue 2: Should the Commission grant BellSouth's Motion for Summary Final Order?

Recommendation: Yes. The Commission should grant BellSouth's Motion for Summary Final Order. If the Motion is granted, BellSouth should be allowed to disconnect STS for non-payment if STS fails to render the amount due within 30 days following issuance of the Commission's Order from this recommendation, unless some other payment plan is agreed upon by the parties. If the Commission grants BellSouth's Motion, staff recommends that STS's Motion for Summary Final Order on BellSouth's Counterclaim is rendered moot.

Issue 3: Should this docket be closed?

Recommendation: Yes. If the Commission approves staff's recommendations in Issues 1 and 2, this docket should be closed.

ITEM NO.

CASE

7**

Docket No. 010977-TL – State certification of rural telecommunications carriers pursuant to 47 C.F.R. 54.314.

Critical Date(s): None

Commissioners Assigned: All Commissioners
Prehearing Officer: Administrative

Staff: CMP: Brown, Bulecza-Banks, Casey
FLL: Fogleman
GCL: B. Keating

Issue 1: Should the Florida Public Service Commission (FPSC or Commission) certify to the FCC and to USAC that for the year 2006, ALLTEL Florida, Inc., Frontier Communications of the South, Inc., GTC, Inc., ITS Telecommunications Systems, Inc., Northeast Florida Telephone Company, Inc., d/b/a NEFCOM Communications, TDS Telecom, and Smart City Telecom will only use the federal high-cost support they receive for the provision, maintenance and upgrading of facilities and services for which the support is intended?

Recommendation: Yes.

Issue 2: Should the FPSC adopt the new high-cost annual certification and reporting requirements established in Order No. FCC 05-46 for all FPSC designated ETCs?

Recommendation: Yes. The FPSC should adopt the new high-cost annual certification and reporting requirements established in Order No. FCC 05-46 for all FPSC designated ETCs desiring high cost support.

Issue 3: Should this docket be closed?

Recommendation: No. This docket should remain open in order to address future certification of rural telephone companies.

ITEM NO.

CASE

8**PAA

Docket No. 050059-TL – Petition to reform unbundled network element (UNE) cost of capital and depreciation inputs to comply with Federal Communications Commission's guidance in Triennial Review Order, by Verizon Florida Inc.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Deason

Staff: CMP: Mailhot, Salak, P. Lee

ECR: Maurey

GCL: Susac

Issue 1: Should the cost of capital inputs used to calculate Verizon's UNE rates be changed?

Recommendation: No. Verizon's cost of capital inputs should not be changed.

Issue 2: Should the depreciation inputs used to calculate Verizon's UNE rates be changed?

Recommendation: No. Verizon's depreciation inputs should not be changed.

Issue 3: Should this docket be closed?

Recommendation: Yes. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon issuance of a consummating order.

ITEM NO.

CASE

9**PAA

Docket No. 050326-TI – Request for waiver of carrier selection requirements of Rule 25-4.118, F.A.C., due to acquisition by IBFA Acquisition Company, LLC (IXC Registration No. TJ993) of subscriber base of American Farm Bureau, Inc. d/b/a The Bureau Connection (IXC Registration No. TJ383).

Critical Date(s): None

Commissioners Assigned: All Commissioners
Prehearing Officer: Administrative

Staff: CMP: M. Watts
GCL: Scott

Issue 1: Should the Commission approve the waiver of the carrier selection requirements of Rule 25-4.118, Florida Administrative Code, in the transfer of customers from American Farm Bureau, Inc. to IBFA Acquisition Company, LLC?

Recommendation: Yes.

Issue 2: Should this docket be closed?

Recommendation: If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order.

ITEM NO.

CASE

10**

Docket No. 050078–EI – Petition for rate increase by Progress Energy Florida, Inc.

Critical Date(s): 6/29/05 (60-day suspension date)

Commissioners Assigned: All Commissioners
Prehearing Officer: Baez

Staff: ECR: Greene, Slemkewicz
GCL: Brubaker, Banks, Rodan, Stern

Issue 1: Should the Commission suspend the new rate schedules accompanying PEF's proposed base rate increase?

Recommendation: Yes. The new rate schedules should be suspended pending the Commission's final decision in this docket.

Issue 2: Should this docket be closed?

Recommendation: No. The docket should remain open to process the revenue increase request of the company.

ITEM NO.

CASE

11

Docket No. 041272–EI – Petition for approval of storm cost recovery clause for recovery of extraordinary expenditures related to Hurricanes Charley, Frances, Jeanne, and Ivan, by Progress Energy Florida, Inc.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Baez

Staff: ECR: Fletcher, Ballinger, Breman, Colson, Greene, Kaproth, Kummer, McNulty,
Maurey, Rendell, Revell, Romig, Slemkewicz, Wheeler, Willis

GCL: Brubaker, Rodan

(Participation is limited to Commissioners and staff.)

(Recommendation to be filed no later than June 14, 2005.)

ITEM NO.

CASE

12**PAA

Docket No. 041375–EI – Request to exclude April 11-12, 2004 and June 13, 24, and 26, 2004 outage events from annual distribution service reliability report by Tampa Electric Company.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Bradley

Staff: ECR: Breman, Lee

GCL: C. Keating

Issue 1: Should the Commission approve TECO's petition to exclude from its 2004 Annual Distribution Service Reliability Report 174 outage events that occurred due to a weather event on April 11-12, 2004?

Recommendation: No. TECO has not demonstrated that the outages on April 11-12, 2004, were not within its control and that it could not reasonably have prevented the outages because: (1) sustained wind speeds in TECO's service area did not exceed industry construction standards; (2) TECO maintains control over its tree-to-power line clearance practices and can adjust those practices if it believes wind related outages are excessive; (3) TECO maintains control over its lightning protection practices and can adjust those practices if it believes lightning related outages are excessive; and (4) TECO has not demonstrated that the high wind speeds that occurred in FPL's and PEFI's respective service areas also occurred in TECO's service area on April 11-12, 2004. However, if the Commission approves the petition, TECO should show the effects of including and excluding the wind and lightning caused outage events in a revised 2004 Annual Distribution Service Reliability Report for comparability purposes.

Issue 2: Should this docket be closed?

Recommendation: Yes. This docket should be closed upon issuance of a Consummating Order unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the proposed agency action.

ITEM NO.

CASE

13**PAA

Docket No. 000694–WU – Petition by Water Management Services, Inc. for limited proceeding to increase water rates in Franklin County.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Edgar

Staff: ECR: Kyle, Edwards, Lingo, Maurey, Slemkewicz, Willis

GCL: Vining

(All issues proposed agency action except Issue 7.)

Issue 1: What is the appropriate final revenue requirement for this limited proceeding?

Recommendation: The appropriate final revenue requirement for this limited proceeding is \$1,368,807.

Issue 2: What true-up mechanism, if any, should be approved to adjust for differences between revenues collected and recoverable expenses incurred from the inception of this limited proceeding through the test year?

Recommendation: WMSI's final rates should be decreased by 7.6 percent during the first twelve months that final rates approved in this proceeding are in effect in order to return to ratepayers revenues collected during Phase 1 and Phase 2 of this proceeding in excess of the actual incremental costs incurred by the utility.

Issue 3: What are the appropriate test year billing determinants before repression?

Recommendation: The appropriate test year billing determinants before repression are 24,465 equivalent residential connections (ERCs) and 178,637,000 gallons.

Issue 4: What is the appropriate rate structure for this utility?

Recommendation: The appropriate rate structure for this utility is a three-tier inclining-block rate structure. The appropriate usage blocks should be set for monthly usage of: 1) 0 – 8 kgals; 2) 8.001 – 15 kgals; and 3) for usage in excess of 15 kgals. The appropriate rate factors are 1.0, 1.25 and 1.5, while the appropriate base facility charge cost recovery percentage should be set at 40%.

Issue 5: Is a repression adjustment appropriate in this case, and, if so, what is the appropriate adjustment to make for this utility?

Recommendation: Yes, a repression adjustment is appropriate. Residential consumption should be reduced by 2.6%, resulting in a consumption reduction of approximately 3,913.6 kgals. The resulting total water consumption for ratesetting is 174,723.1 kgals, which represents a 2.2% reduction in overall consumption. In order to monitor the effects of both the changes in revenue and rate structure, the utility should continue filing the monthly reports that were ordered in Order No. PSC-00-2227-PAA-WS. These reports should be continued for a period of two years, beginning the first billing period after the approved rates go into effect.

Issue 6: What are the appropriate rates for this utility?

ITEM NO.

CASE

13**PAA

Docket No. 000694–WU – Petition by Water Management Services, Inc. for limited proceeding to increase water rates in Franklin County.

(Continued from previous page)

Recommendation: The appropriate water monthly rates are shown on Schedule No. 1 of staff's June 9, 2005 memorandum. Excluding miscellaneous service revenues, the recommended water rates are designed to produce revenues of \$1,368,807. The utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date of the revised tariff sheets pursuant to Rule 25-30.475(1), F.A.C. In addition, the rates should not be implemented until staff has approved the proposed customer notice. The utility should provide proof of the date the notice was given no less than 10 days after the date of the notice.

Issue 7: What is the appropriate amount by which water rates should be reduced four years after the established effective date to reflect the removal of amortized rate case expense, as required by Section 367.0816, Florida Statutes?

Recommendation: The water rates should be reduced as shown on Schedule 1 of staff's memorandum to remove \$17,986 in rate case expense amortization, grossed up for regulatory assessment fees. The decrease in rates should become effective immediately following the expiration of the four-year rate case expense recovery period, pursuant to Section 367.0816, Florida Statutes. The utility should be required to file revised tariffs and a proposed customer notice setting forth the lower rates and the reason for the reduction no later than one month prior to the actual date of the required rate reduction.

Issue 8: Should this docket be closed?

Recommendation: If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order.

ITEM NO.

CASE

14**

Docket No. 050028–WU – Application for amendment of Certificate No. 539-W to extend territory in Lake County by Raintree Utilities, Inc., and for modification of service availability policy.

Critical Date(s): 7/12/05 (60-day suspension date for tariff)

Commissioners Assigned: All Commissioners

Prehearing Officer: Deason

Staff: ECR: Redemann

GCL: Jaeger

Issue 1: Should the Commission approve Raintree Utilities, Inc.’s application to amend Certificate No. 539-W?

Recommendation: Yes. The Commission should approve Raintree Utilities, Inc.’s amendment application to add the Bentwood subdivision. The proposed territory is described in Attachment A of staff’s June 9, 2005 memorandum. The utility should file an executed and recorded copy of the warranty deed for the land for the water facilities within 30 days of the issuance date of the Order granting the amendment. The utility should charge the customers in the territory added herein the monthly service rates contained in its current tariff until authorized to change by the Commission. The appropriate service availability policy and charges are discussed in Issue 2.

PAA

Issue 2: Should the tariff filing to modify the service availability policy by Raintree Utilities, Inc. be approved?

Recommendation: Yes. Staff recommends the utility’s proposed \$800 plant capacity charge, meter installation charge of \$125, and revised service availability policy requiring donated on-site and off-site lines should be approved. The tariffs should become effective for connections made on or after the stamped approval date of the tariff sheets pursuant to Rule 25-30.475(2), Florida Administrative Code. In the event a timely protest is filed by a substantially affected person, the tariff should remain in effect and any increased charges collected should be held subject to refund pending resolution of the protest.

Issue 3: Should this docket be closed?

Recommendation: Yes. This docket should be closed after issuance of a consummating order, if no timely protests are filed by a substantially affected person to the utility’s revised service availability tariff. If a protest is filed, the docket should remain open pending resolution of the protest.

ITEM NO.

CASE

15

Docket No. 041393–EI – Petition for approval of two unit power sales agreements with Southern Company Services, Inc. for purposes of cost recovery through capacity and fuel cost recovery clauses, by Progress Energy Florida, Inc.

Critical Date(s): None

Commissioners Assigned: Baez, Deason, Bradley

Prehearing Officer: Bradley

Staff: ECR: Harlow, McRoy

GCL: Vining, Halloran

(Participation is limited to Commissioners and staff.)

(Recommendation to be filed no later than June 16, 2005.)

