

# FLORIDA PUBLIC SERVICE COMMISSION

## COMMISSION CONFERENCE AGENDA

**CONFERENCE DATE AND TIME:** April 18, 2006, 9:30 a.m.

**LOCATION:** Room 148, Betty Easley Conference Center

**DATE ISSUED:** April 7, 2006

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### 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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**ITEM NO.** **CASE**

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1\*\* **Consent Agenda**

PAA A) Application for certificate to provide pay telephone service.

<u>DOCKET NO.</u>	<u>COMPANY NAME</u>
060188-TC	Silver Springs Shores Telco

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

<u>DOCKET NO.</u>	<u>COMPANY NAME</u>	<u>EFFECTIVE DATE</u>
060230-TP	WS Telecom, Inc. d/b/a eXpeTel Communications	3/15/2006

PAA C) Request for two-year exemption from requirement of Rule 25-24.515(13), F.A.C., that each pay telephone station shall allow incoming calls.

<u>DOCKET NO.</u>	<u>COMPANY NAME</u>	<u>PHONE # &amp; LOCATION</u>
060232-TC	Commercial Pay Phones, Inc.	561-967-8109 Sunoco Gas Station 3981 Lake Worth Road Lake Worth, FL

**Recommendation:** The Commission should approve the action requested in the dockets referenced above and close these dockets.

**ITEM NO.**

**CASE**

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2\*\*

**Docket No. 060121-EI** – Proposed amendment of Rules 25-6.022, 25-6.052, 25-6.056, 25-6.058, 25-6.059, 25-6.060, and 25-6.103, Florida Administrative Code. (Deferred from April 4, 2006 conference.)

**Critical Date(s):** None

**Rule Status:** Proposed

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Tew

**Staff:** GCL: Cibula, Keating

ECR: Matlock, Kummer, Hewitt

**Issue 1:** Should the Commission propose the amendment of Rule 25-6.022, Record of Metering Devices and Metering Device Tests; Rule 25-6.052, Test Procedures and Accuracies of Consumption Metering Devices; Rule 25-6.056, Metering Device Test Plans; Rule 25-6.058, Determination of Average Meter Error; Rule 25-6.059, Meter Test By Request; 25-6.060, Meter Test - Referee; and Rule 25-6.103, Adjustment of Bills for Meter Error?

**Recommendation:** Yes. Rules 25-6.022, 25-6.052, 25-6.056, 25-6.058, 25-6.059, 25-6.060, and 25-6.103 should be amended as set forth in Attachment A of staff's March 23, 2006 memorandum.

**Issue 2:** Should this docket be closed?

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

**ITEM NO.**

**CASE**

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3\*\*PAA

**Docket No. 050890-EI** – Complaint of Sears, Roebuck and Company against Florida Power & Light Company and motion to compel FPL to continue electric service and to cease and desist demands for deposit pending final decision regarding complaint.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Arriaga

**Staff:** GCL: Brubaker

ECR: Draper, Maurey

**Issue 1:** Should Sears' motion for an order compelling FPL to continue electric service and to cease demands for a deposit, or Sears' renewal of its motion for an order to compel, be granted?

**Recommendation:** No. FPL has complied with the requirements of Rule 25-22.032, Florida Administrative Code. The Commission needs not rule on Sears' requests as they are moot.

**Issue 2:** Should FPL's motion to dismiss Sears' complaint be granted?

**Recommendation:** No. Sears' complaint states a sufficient factual basis to survive a motion to dismiss, and FPL's motion should accordingly be denied.

**Issue 3:** What is the appropriate disposition of Sears' complaint against FPL?

**Recommendation:** Sears' complaint should be dismissed on its merits. FPL has complied with the requirements of Rule 25-6.097, Florida Administrative Code; accordingly, within 30 days of the date of the order, Sears should pay a deposit in the amount of \$1,002,705, either in the form of an Irrevocable Letter of Credit, a Surety Bond, or cash.

**Issue 4:** 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**

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4\*\*PAA

**Docket No. 050891-EI** – Complaint of Kmart Corporation against Florida Power & Light Company and motion to compel FPL to continue electric service and to cease and desist demands for deposit pending final decision regarding complaint.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Arriaga

**Staff:** GCL: Brubaker

ECR: Draper, Maurey

**Issue 1:** Should Kmart’s motion for an order compelling FPL to continue electric service and to cease demands for an additional deposit, or Kmart’s renewal of its motion for an order to compel, be granted?

**Recommendation:** No. FPL has complied with the requirements of Rule 25-22.032, Florida Administrative Code. The Commission need not rule on Kmart’s requests as they are moot.

**Issue 2:** Should FPL’s motion to dismiss Kmart’s complaint be granted?

**Recommendation:** No. Kmart’s complaint states a sufficient factual basis to survive a motion to dismiss, and FPL’s motion should accordingly be denied.

**Issue 3:** What is the appropriate disposition of Kmart’s complaint against FPL?

**Recommendation:** Kmart’s complaint against FPL should be denied on its merits. FPL has complied with the requirements of Rule 25-6.097, Florida Administrative Code. Accordingly, within 30 days of the date of the order, Kmart should pay an additional deposit in the amount of \$299,320 in order to receive continuous service from FPL.

**Issue 4:** 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**

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5\*\*PAA

**Docket No. 060292-TL** – Review of tariff filing (T-060052) by Verizon Florida Inc. to establish permanent promotional offering.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Administrative

**Staff:** CMP: Simmons

GCL: Wiggins

**Issue 1:** What action, if any, should the Commission take with respect to Verizon's permanent promotional tariff offering (T-060052)?

**Recommendation:** Staff recommends that Verizon's permanent promotional tariff offering (T-060052) be allowed to remain in effect, subject to two requirements. First, Verizon should be required to provide staff with one-day, advance written notice of each promotional offer made during 2006. Second, Verizon should be required to provide semi-annual tracking reports during 2006, by individual promotion and in total, showing the number of offers made, the number of offers accepted, and the average dollar benefit provided to customers. Tracking reports should be due on July 31, 2006 and January 31, 2007.

**Issue 2:** Should this docket be closed?

**Recommendation:** The Order issued from this recommendation will be a proposed agency action. Thus, the Order will become final and effective upon issuance of the Consummating Order if no person whose substantial interests are affected timely files a protest within 21 days of issuance of this Order.



**ITEM NO.**

**CASE**

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6\*\*PAA

**Docket No. 060142-TI** – Joint petition of Sprint Communications Company, Limited Partnership, holder of IXC Registration No. TI793, and Sprint Long Distance, Inc., holder of IXC Registration No. TK001, for waiver of Rule 25-4.118, F.A.C., Local, Local Toll or Toll Provider Selection to allow transfer of certain Sprint Communications Company, Limited Partnership long distance customers to Sprint Long Distance, Inc.

**Docket No. 060167-TP** – Joint petition of Sprint Communications Company, Limited Partnership, holder of CLEC Certificate No. 8609 and IXC Registration No. TI793, and Sprint Long Distance, Inc., holder of CLEC Certificate No. 4732 and IXC Registration No. TK001, for waiver of Rule 25-4.118, F.A.C., Local, Local Toll or Toll Provider Selection to allow transfer of certain Sprint Communications Company, Limited Partnership local customers to Sprint Long Distance, Inc.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Administrative

**Staff:** CMP: Watts

GCL: Tan, McKay

**Issue 1:** Should the Commission approve the request for waiver of the carrier selection requirements of Rule 25-4.118, Florida Administrative Code, in the transfer of certain Sprint Communications Company, Limited Partnership long distance customers to Sprint Long Distance, Inc. in Docket No. 060142-TI?

**Recommendation:** Yes. The Commission should approve the request for waiver of the carrier selection requirements of Rule 25-4.118, Florida Administrative Code.

**Issue 2:** Should the Commission approve the request for waiver of the carrier selection requirements of Rule 25-4.118, Florida Administrative Code, in the transfer of certain Sprint Communications Company, Limited Partnership local and long distance customers to Sprint Long Distance, Inc. in Docket No. 060167-TP?

**Recommendation:** Yes. The Commission should approve the request for waivers of the carrier selection requirements of Rule 25-4.118, Florida Administrative Code.

**Issue 3:** Should these dockets be closed?

**Recommendation:** If no person whose substantial interests are affected by the proposed agency actions files a protest within 21 days of the issuance of the orders, these dockets should be closed upon the issuance of a consummating order. A protest in one docket should not prevent the action in a separate docket from becoming final.

**ITEM NO.**

**CASE**

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7\*\*PAA

**Docket No. 060164-TP** – Joint petition for waiver of Rule 25-4.118, F.A.C., to allow transfer of customers from Trinsic Communications, Inc. to Access Integrated Networks, Inc.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Administrative

**Staff:** CMP: Watts

GCL: Tan

**Issue 1:** Should the Commission approve the request for waiver of the carrier selection requirements of Rule 25-4.118, Florida Administrative Code, in the transfer of customers from Trinsic Communications, Inc. to Access Integrated Networks, Inc.?

**Recommendation:** Yes. The Commission should approve the request for waiver of the carrier selection requirements of Rule 25-4.118, Florida Administrative Code.

**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**

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8\*\*PAA

**Docket No. 060200-TI** – Bankruptcy cancellation by Florida Public Service Commission of IXC Registration No. TJ958, issued to Electronic Stored Value Services, Inc. d/b/a eSVS, INC., effective March 8, 2006.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Administrative

**Staff:** CMP: Isler

GCL: McKay

**Issue 1:** Should the Commission grant Electronic Store Value Services, Inc. d/b/a eSVS, INC., as listed in Attachment A of staff's April 6, 2006 memorandum, cancellation of its IXC tariff and remove its name from the register with an effective date of March 8, 2006, due to bankruptcy; notify the Division of the Commission Clerk and Administrative Services that any unpaid Regulatory Assessment Fees, including statutory late payment charges, should not be sent to the Florida Department of Financial Services and request permission to write off the uncollectible amounts; and require the company to immediately cease and desist providing intrastate interexchange telecommunications service in Florida?

**Recommendation:** Yes. The company's IXC tariff and Registration No. TJ958 should be granted a bankruptcy cancellation with an effective date of March 8, 2006.

**Issue 2:** Should this docket be closed?

**Recommendation:** Yes, if no protest is filed and upon issuance of a Consummating Order.

**ITEM NO.**

**CASE**

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9\*\*PAA

**Docket No. 060199-GU** – Petition for waiver of requirement of Rule 25-7.045(8)(a), F.A.C., to file depreciation study within five years from date of filing previous study, and for authorization to file next depreciation study by July 14, 2006, by Peoples Gas System.

**Critical Date(s):** 6/6/06 (Petition deemed approved if not granted or denied within 90 days of receipt.)

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Administrative

**Staff:** ECR: Gardner

CMP: Bulecza-Banks

GCL: Fleming

**Issue 1:** Should Peoples Gas System's request for a waiver of Rule 25-7.045(8)(a), Florida Administrative Code, be granted?

**Recommendation:** Yes. The Commission should grant Peoples' waiver request for an extension of time to file its depreciation study no later than July 14, 2006. The petition satisfies the statutory criteria for a rule waiver.

**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**

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10\*\*PAA

**Docket No. 050449-WU** – Application for staff-assisted rate case in Pasco County by Dixie Groves Utility Company. (Deferred from April 4, 2006 conference.)

**Critical Date(s):** 11/26/06 (15-month effective date – SARC)

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Carter

**Staff:** ECR: Biggins, Lingo, Massoudi, Rendell, Willis

GCL: Jaeger

**(Proposed agency action except for Issues 14 and 15.)**

**Issue 1:** Is the quality of service provided by Dixie Groves Utility Company considered satisfactory?

**Recommendation:** Yes. The quality of service provided by Dixie Groves Utility Company should be considered satisfactory.

**Issue 2:** Does the utility have excessive unaccounted for water and, if so, what adjustments should be made?

**Recommendation:** Yes. The utility had approximately 3.58% excessive unaccounted for water during the test year period. Therefore, allowable expenses for purchased electricity and chemicals should be reduced by 3.58% for the water treatment plant during the test year period.

**Issue 3:** Should the Commission approve a year-end rate base for this utility?

**Recommendation:** Yes. The Commission should approve a year-end rate base for this utility to allow it an opportunity to earn a fair return on the utility investment made during the test year and to insure compensatory rates on a prospective basis.

**Issue 4:** What portions of Dixie Groves Utility Company are used and useful?

**Recommendation:** Both the water treatment plants and water distribution systems should be considered 100% used and useful for Phase I period. The water distribution systems should be considered 97.5% used and useful for Phase II period which is the pro forma.

**Issue 5:** What is the appropriate year-end test year rate base for this utility?

**Recommendation:** The appropriate year-end test year rate base for this utility is \$70,078 for water.

**Issue 6:** What is the appropriate rate of return on equity and the appropriate overall rate of return for this utility?

**Recommendation:** The appropriate return on equity is 10.00% with a range of 9.00% - 11.00%. The appropriate overall rate of return is 9.39%.

**Issue 7:** What is the appropriate year-end test year revenue?

**Recommendation:** The appropriate year-end test year revenue for this utility is \$58,571 for water.

ITEM NO.

CASE

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10\*\*PAA

**Docket No. 050449-WU** – Application for staff-assisted rate case in Pasco County by Dixie Groves Utility Company. (Deferred from April 4, 2006 conference.)

(Continued from previous page)

**Issue 8:** What is the appropriate amount of operating expenses?

**Recommendation:** The appropriate amount of operating expense for the utility is \$72,766 for water.

**Issue 9:** What is the appropriate revenue requirement?

**Recommendation:** The appropriate revenue requirement is \$79,346.

**Issue 10:** What is the appropriate rate structure and base facility charge cost recovery percentage for this utility?

**Recommendation:** The appropriate rate structure for this utility is a continuation of its base facility charge (BFC) / uniform gallonage charge rate structure. The BFC cost recovery percentage should be 50% for Phase I and 55% for Phase II.

**Issue 11:** Are adjustments to reflect repression of consumption appropriate in this case due to the price increases in Phase I and Phase II, and, if so, what are the appropriate repression adjustments to be applied in order to calculate Phase I and Phase II rates?

**Recommendation:** Yes. Repression adjustments of 621.1 kgals for Phase I rates and 2,092.9 kgals for Phase II rates are appropriate. In order to monitor the effects of the recommended revenue increases for Phases I and II, the utility should be ordered to prepare monthly reports detailing the number of bills rendered, the consumption billed and the revenue billed. These reports should be provided, by customer class, meter size and Phase, on a quarterly basis for a period of two years, beginning with the first billing period after the increased rates go into effect.

**Issue 12:** What are the appropriate water rates for Dixie Groves?

**Recommendation:** The recommended rates shown in the analysis section of staff's March 23, 2006 memorandum are designed to produce revenues of \$79,346. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. The rates should not be implemented until notice has been received by the customers. The utility should provide proof of the date notice was given within 10 days after the date of the notice.

ITEM NO.

CASE

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10\*\*PAA

**Docket No. 050449-WU** – Application for staff-assisted rate case in Pasco County by Dixie Groves Utility Company. (Deferred from April 4, 2006 conference.)

(Continued from previous page)

**Issue 13:** Should the Commission approve pro forma plant additions for the utility, and, if so, what is the appropriate return on equity, overall rate of return, revenue requirement and when should the resulting rates be implemented?

**Recommendation:** Yes. The Commission should approve pro forma plant additions for the utility. With the pro forma items, the utility's appropriate return on equity should be 11.78% with a range of 10.78% - 12.78%. The appropriate overall rate of return is 8.53%. The utility's revenue requirement should be \$252,651. The utility should complete the pro forma additions within 12 months of the issuance of the consummating order. The utility should be allowed to implement the resulting rates once the completed pro forma additions have been verified by staff. Once verified, the rates should be effective for service rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C.. The rates should not be implemented until notice has been received by the customers. The utility should provide proof of the date notice was given within 10 days after the date of the notice. If the utility fails to complete all of the pro forma additions, it should not be entitled to the revenue requirement with the pro forma plant additions and the resulting rates.

**Issue 14:** What is the appropriate amount by which rates should be reduced four years after the established effective date to reflect the removal of the amortized rate case expense as required by Section 367.0816, Florida Statutes?

**Recommendation:** The water rates should be reduced as shown on Schedule 4 of staff's memorandum, to remove rate case expense grossed up for regulatory assessment fees and amortized over a four-year period. The decrease in rates should become effective immediately following the expiration of the four-year rate case expense recovery period, 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. If the utility files this reduction in conjunction with a price index or pass-through rate adjustment, separate data should be filed for the price index and/or pass-through increase or decrease and the reduction in the rates due to the amortized rate case expense.

ITEM NO.

CASE

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10\*\*PAA

**Docket No. 050449-WU** – Application for staff-assisted rate case in Pasco County by Dixie Groves Utility Company. (Deferred from April 4, 2006 conference.)

(Continued from previous page)

**Issue 15:** Should the recommended rates be approved for the utility on a temporary basis, subject to refund, in the event of a protest filed by a party other than the utility?

**Recommendation:** Yes. Pursuant to Section 367.0814(7), Florida Statutes, the recommended Phase I rates should be approved for the utility on a temporary basis, subject to refund, in the event of a protest filed by a party other than the utility. Prior to implementation of any temporary rates, the utility should provide appropriate security. If the recommended rates are approved on a temporary basis, the rates collected by the utility should be subject to the refund provisions discussed in the analysis section of staff's memorandum. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., the utility should file reports with the Commission's Division of Economic Regulation no later than the 20th of each month indicating the monthly and total amount of money subject to refund at the end of the preceding month. The report filed should also indicate the status of the security being used to guarantee repayment of any potential refund.

**Issue 16:** Should this docket be closed?

**Recommendation:** No. If no timely protest is filed by a substantially affected person within 21 days of the Proposed Agency Action Order, a Consummating Order should be issued. However, the docket should remain open to allow staff to monitor completion of the pro forma items and the appropriate implementation of the Phase II rates.



**ITEM NO.**

**CASE**

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11\*\*

**Docket No. 060060-WS** – Application for transfer of facilities of South Pasco Utilities, Inc. in Pasco County to Parrish Properties V, LLC, and for cancellation of Certificates 535-W and 466-S.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Tew

**Staff:** ECR: Johnson, Kaproth, Walden

GCL: Jaeger

**Issue 1:** Should the transfer of South Pasco Utilities, Inc.'s facilities to Parrish Properties V, LLC and the cancellation of Certificate Nos. 535-W and 466-S be approved?

**Recommendation:** Yes. The transfer of South Pasco's facilities to Parrish Properties V, LLC, an exempt entity pursuant to Section 367.022(5), Florida Statutes, is in the public interest and should be approved and Certificate Nos. 535-W and 466-S should be canceled effective the date of the Commission's vote. In addition, Parrish Properties V, LLC, or any successors in interest, should be put on notice that if there is a change in circumstance or method of operation which causes the utility to no longer qualify for exemption pursuant to Section 367.022, Florida Statutes, it should inform the Commission within 90 days.

**Issue 2:** Should this docket be closed?

**Recommendation:** Yes. Because no further action is required, this docket should be closed.

**ITEM NO.**

**CASE**

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12\*\*

**Docket No. 020233-EI** – Review of GridFlorida Regional Transmission Organization (RTO) Proposal. (Deferred from April 4, 2006 conference.)

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Arriaga

**Staff:** SGA: Buchan

ECR: Trapp, Ballinger

GCL: Brubaker

**Issue 1:** Would the continued development of GridFlorida be prudent?

**Recommendation:** No. In light of the quantitative information provided regarding the proposed GridFlorida RTO and alternatives, continued development of GridFlorida does not appear to be cost-effective. The costs exceed the benefits to such a degree that it would not be prudent or in the public interest to continue the development of GridFlorida.

**Issue 2:** Should the Commission grant the GridFlorida Applicant's Motion to Withdraw the Compliance Filing filed on March 20-21, 2002, and the September 19, 2002, Petition of the GridFlorida Companies regarding Prudence of GridFlorida Market Design Principles?

**Recommendation:** Yes. The Commission should grant the GridFlorida Applicant's Motion to Withdraw the Compliance Filing. In addition, the Commission should direct staff to monitor the Peninsular Florida utilities' and stakeholders' efforts as they continue to develop enhanced wholesale market opportunities in Florida and report back to the Commission in six months on their progress.

**Issue 3:** What should be the disposition of the outstanding motions currently pending in Docket No. 020233-EI?

**Recommendation:** If the Commission approves staff's recommendation in Issue 2, the four outstanding motions currently pending in Docket No. 020233-EI will be rendered moot and should not require further action by the Commission.

**Issue 4:** Should a new docket be opened to address a non-RTO alternative for Peninsular Florida, such as the Florida Independent Transmission Provider (FITP) proposed by Florida Municipal Power Agency, Seminole Electric Cooperative, Calpine Corporation, and Northern Star Energy?

**Recommendation:** No. At this time it is not cost-effective to open a new docket to examine alternative RTO or non-RTO proposals. Instead, the parties should be encouraged to continue investigating opportunities to enhance the existing wholesale market.

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

**Recommendation:** Yes. If the Commission votes to approve staff's recommendations in Issues 1 through 4, this docket should be closed.

**ITEM NO.**

**CASE**

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13\*\*

**Docket No. 030458-WU** – Application for transfer of majority organizational control of Holiday Utility Company, Inc. in Pasco County to Holiday Waterworks Corporation, and amendment of Certificate No. 224-W.

**Critical Date(s):** None

**Commissioners Assigned:** Arriaga, Carter, Tew

**Prehearing Officer:** Tew

**Staff:** ECR: Clapp, Rieger, Romig

GCL: Fleming, Brubaker

**Issue 1:** Should Holiday Utility Company, Inc. be required to show cause, in writing, within 21 days why it should not be fined for its apparent violation of Section 367.045, Florida Statutes?

**Recommendation:** No. A show cause proceeding should not be initiated.

**Issue 2:** Should the transfer of majority organizational control of Holiday Utility Company, Inc., holder of Certificate No. 224-W, to Holiday Waterworks Corporation be approved?

**Recommendation:** Yes. The transfer of majority organizational control of Holiday Utility Company, Inc., holder of Certificate No. 224-W, to HWC is in the public interest and should be approved effective the date of the Commission vote. Pursuant to Rule 25-9.044(1), Florida Administrative Code, the rates and charges approved for the utility should be continued until authorized to change by the Commission in a subsequent proceeding. The utility should be required to provide proof of the Division of Corporations' approval of the fictitious name, as it appears on the easement, within 30 days of the Commission vote. HWC should be responsible for all regulatory assessment fees (RAFs) and annual reports for 2005 and the future. A description of the territory being transferred is appended to staff's April 6, 2006 memorandum as Attachment A.

**Issue 3:** Should the Commission approve Holiday's application to amend Certificate No. 224-W?

**Recommendation:** Yes. Holiday's application to amend Certificate No. 224-W to delete a portion of the utility's territory, as reflected in Attachment B of staff's memorandum, is in the public interest and should be approved. A composite territory description which reflects the deleted territory is appended to this recommendation as Attachment C.

**Issue 4:** Should this docket be closed?

**Recommendation:** No. The docket should remain open for consideration of the protest concerning the application for amendment of additional territory.

