

FLORIDA PUBLIC SERVICE COMMISSION

COMMISSION CONFERENCE AGENDA

CONFERENCE DATE AND TIME: August 15, 2006, 9:30 a.m.

LOCATION: Room 148, Betty Easley Conference Center

DATE ISSUED: August 4, 2006

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**

1 **Approval of Minutes**
July 18, 2006 Regular Commission Conference

2** **Consent Agenda**

PAA A) Applications for certificates to provide competitive local exchange telecommunications service.

<u>DOCKET NO.</u>	<u>COMPANY NAME</u>
060487-TX	East Texas Rural Net, Inc.
060498-TX	Globetel, Inc.
060402-TX	World-Link Solutions, Inc. d/b/a WL Solutions, Inc.

PAA B) Applications for certificates to provide pay telephone service.

<u>DOCKET NO.</u>	<u>COMPANY NAME</u>
060425-TC	Fernando A. Ascenio
060493-TC	Encartele, Inc.

PAA C) Request for approval of transfer of control of an alternative access vendor company.

<u>DOCKET NO.</u>	<u>COMPANY NAME</u>
060483-TA	Global Internetworking, Inc. Mercator Partners Acquisition Corp.

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

ITEM NO.

CASE

3**PAA

Docket No. 060430-TL – Petition for waiver of Rule 25-4.079(5), F.A.C., regarding provision of specialized Customer Premises Equipment (CPE) for lease or sale to hearing/speech impaired persons, by BellSouth Telecommunications, Inc.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: GCL: Tan

CMP: Casey, Moses

Issue 1: Should the Commission grant BellSouth Telecommunications, Inc.'s Petition for waiver of Rule 25-4.079(5), Florida Administrative Code?

Recommendation: Yes. The Commission should grant BellSouth Telecommunications, Inc.'s Petition for waiver of Rule 25-4.079(5), Florida Administrative Code.

Issue 2: Should this docket be closed?

Recommendation: The Order issued in the recommendation will become final and effective upon issuance of a Consummating Order, unless a person whose substantial interests are affected by the Commission's decision files a protest that identifies with specificity the issues in dispute, in the form provided by Rule 28-106.201, Florida Administrative Code, within 21 days of the issuance of the Proposed Agency Action Order. If the Commission's Order is not protested, this docket should be closed administratively upon issuance of the Consummating Order.

ITEM NO.

CASE

4**

Docket No. 060141-TL – Complaint by Karl Amsler and Sonny Stewart against BellSouth Telecommunications, Inc. for alleged improper billing.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: GCL: Tan, Scott

CMP: Kennedy

RCA: Plescow

Issue 1: Should the Commission accept the settlement agreement reached by Customers Karl Amsler and Sonny Stewart and BellSouth Telecommunications, Inc.?

Recommendation: Yes. The Commission should accept the settlement agreement reached by Customers Karl Amsler and Sonny Stewart and BellSouth Telecommunications, Inc.

Issue 2: Should this docket be closed?

Recommendation: Yes. This docket should be closed since there are no further actions required by the Commission.

ITEM NO.

CASE

5**

Docket No. 060308-TP – Joint application for approval of indirect transfer of control of telecommunications facilities resulting from agreement and plan of merger between AT&T Inc. (parent company of AT&T Communications of the Southern States, LLC, CLEC Cert. No. 4037, IXC Registration No. TJ615, and PATS Cert. No. 8019; TCG South Florida, IXC Registration No. TI327 and CLEC Cert. No. 3519; SBC Long Distance, LLC, CLEC Cert. No. 8452, and IXC Registration No. TI684; and SNET America, Inc., IXC Registration No. TI389) and BellSouth Corporation (parent company of BellSouth Telecommunications, Inc., ILEC Cert. No. 8 and CLEC Cert. No. 4455); and BellSouth Long Distance, Inc. (CLEC Cert. No. 5261 and IXC Registration No. TI554).

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Deason

Staff: GCL: Fudge, Wiggins

CMP: Buys, Kennedy

Issue 1: Are the filings by Joint CLECs and Time Warner a valid protest of proposed agency action under Rule 28-106.201, Florida Administrative Code?

Recommendation: No. The protests and subsequent filings fail to demonstrate standing because they do not show that the alleged injury is of sufficient immediacy to confer standing and they do not demonstrate Joint CLECs or Time Warner have suffered a type of injury that the underlying transfer of control proceeding is designed to protect.

Issue 2: Should this docket be closed?

Recommendation: Yes. If the Commission approves staff's recommendation in Issue 1, all outstanding Petitions to Intervene in this proceeding will be rendered moot. Consequently, no other issues will remain for the Commission to address in this docket.

ITEM NO.

CASE

6**

Docket No. 060482-GU – Petition for approval of tariff modifications related to alert days and monthly balancing of deliveries, by Peoples Gas System.

Critical Date(s): 08/28/06 (60-day suspension date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: CMP: Broussard, Bulecza-Banks

GCL: Brown

Issue 1: Should the petition by Peoples Gas System for approval of tariff modifications related to alert days and monthly balancing of deliveries be approved?

Recommendation: Yes. The Commission should approve Peoples Gas System's proposed tariff modifications related to alert days and monthly balancing effective August 15, 2006, the date of the Commission vote in this matter.

Issue 2: Should this docket be closed?

Recommendation: Yes. If no person whose substantial interests are affected timely files a protest of the Commission's Tariff Order, the docket may be closed upon the issuance of a Consummating Order. If a timely protest is filed, the tariff should remain in effect pending resolution of the protest, with revenues held subject to refund.

ITEM NO.

CASE

7**PAA

Docket No. 060415-GU – Petition for modification of energy conservation plan of Florida Public Utilities Company, Inc., regarding full house residential new construction program, residential appliance replacement program and residential appliance retention program.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Deason

Staff: CMP: Brown, Bulecza-Banks, Casey

GCL: Fleming

Issue 1: Should the Commission approve FPUC's Petition for Approval of Modifications to Approved Energy Conservation Programs?

Recommendation: Yes. The Commission should approve modifications to the Full House Residential New Construction Program, Residential Appliance Replacement Program and the Residential Appliance Retention Program.

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 proposed agency action files a protest within 21 days from the issuance of the Order. If a protest is filed within 21 days from the issuance of the Order, the modifications should not be implemented until after a resolution of the protest.

ITEM NO.

CASE

8**PAA

Docket No. 060501-TX – Investigation and determination of appropriate method for estimating and making payment of TASA surcharges, as required by Rule 25-4.160, F.A.C., to Florida Telecommunications Relay, Inc. by Verizon Select Services, Inc.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: CMP: Buys
ECR: Springer
GCL: Tan
RCA: Vandiver

Issue 1: Should the Commission approve the method used by Verizon Select Services, Inc. to estimate the amount of TASA surcharges owed to Florida Telecommunications Relay, Inc., for the period January 1998 through June 2001, and approve VSSI's proposal to remit the surcharges in the amount of \$130,638.28, plus interest of \$31,225.63, for a total payment of \$161,863.91, to FTRI?

Recommendation: Yes. Staff recommends that the Commission approve the method used by VSSI to estimate the amount of TASA surcharges and order the company to remit to FTRI the amount of \$130,638.28, plus interest of \$31,225.63, for a total payment of \$161,863.91.

Issue 2: Should this docket be closed?

Recommendation: The Order issued from this recommendation will become final and effective upon issuance of a Consummating Order, unless a person whose substantial interest are affected by the Commission's decision files a protest that identifies with specificity the issues in dispute, in the form provided by Rule 28-106.201, Florida Administrative Code, within 21 days of the issuance of the Proposed Agency Action Order. As provided by Section 120.80 (13)(b), Florida Statutes, any issues not in dispute should be deemed stipulated. If the Commission's Order is not protested, VSSI should remit the payment for TASA surcharges, plus interest, to FTRI no later than September 30, 2006. At the time of its payment, VSSI should also submit a final report to the Commission summarizing the payment. If staff determines that VSSI has complied with the provisions of the Commission's Order, then this docket will be closed administratively. If VSSI fails to demonstrate that it has complied with the provisions of the Commission's Order, then this docket will remain open pending further action.

ITEM NO.

CASE

9**PAA

Docket No. 060399-TX – Petition for designation as eligible telecommunications carrier (ETC) by Midwestern Telecommunications Inc.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Deason

Staff: CMP: Maduro, Casey, Beard

GCL: Scott, Wiggins

Issue 1: Should MTI be granted ETC status in the State of Florida?

Recommendation: Yes. Staff recommends that MTI be granted ETC status in the BellSouth non-rural wire centers identified in Attachment A of staff's August 3, 2006 memorandum.

Issue 2: Should this docket be closed?

Recommendation: Yes. If no person whose substantial interests are affected files a protest to the Commission's Proposed Agency Action within 21 days of the issuance of the Commission Order, this docket should be closed upon issuance of a consummating order.

ITEM NO.

CASE

10**PAA

Docket No. 060499-TL – Implementation of Statutory Option for Price Regulated Local Exchange Telecommunications Companies to Publicly Publish Rates, Terms, and Conditions for Nonbasic Services, pursuant to Section 364.051(5)(a), F.S.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: CMP: Simmons, Bates, King

GCL: Scott

Issue 1: Should the Commission establish guidelines for the publication of nonbasic service offerings by price regulated ILECs that no longer elect to maintain tariffs for such services with the Commission?

Recommendation: Yes. The Commission should adopt the guidelines in Attachment A of staff's August 3, 2006 memorandum.

Issue 2: Should this docket be closed?

Recommendation: Yes. If no person whose substantial interests are affected by the proposed agency action files a protest of the Commission's decision on Issue 1 within the 21-day protest period, the Commission's Order will become final upon issuance of a Consummating Order. If, however, a timely protest is received, this docket should remain open.

ITEM NO.

CASE

11**

Docket No. 060480-EI – Petition by Progress Energy Florida, Inc. for approval of modification and extension of experimental Premier Power Service Rider, Rate Schedule PPS-1, and for approval of revised Premier Power Service Contract.

Critical Date(s): 08/27/06 (60-day suspension date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECR: Baxter
GCL: Keating

Issue 1: Should the Commission suspend Progress Energy Florida, Inc.'s petition for approval of modifications and revisions to its Premier Power Service Rider (PPS-1) tariff?

Recommendation: Yes.

Issue 2 Should this docket be closed?

Recommendation: No.

ITEM NO.

CASE

12**PAA

Docket No. 060426-EI – Petition for exemption under Rule 25-22.082(18), F.A.C., from issuing request for proposals (RFPs), by Florida Power & Light Company.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Tew

Staff: ECR: Harlow

GCL: Keating

Issue 1: Should the Commission grant Florida Power & Light Company's (FPL) petition for exemption from the requirements of Rule 25-22.082, Florida Administrative Code, for its next planned advanced technology coal generating unit?

Recommendation: Yes. An exemption from the RFP requirement will provide FPL with the opportunity to stay on schedule for the unit's planned 2012 in-service date. FPL has estimated that an exemption will save at least six months. If FPL does not file a need determination within the estimated six-month time savings, there will be no benefits associated with the RFP exemption. Therefore, the Commission should limit the exemption to six months from the date of the consummating order. FPL should file a need determination petition for the 2012 coal plant within this timeframe, or issue an RFP for the capacity.

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

13**PAA

Docket No. 060362-EI – Petition to recover natural gas storage project costs through fuel cost recovery clause, by Florida Power & Light Company.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Deason

Staff: ECR: Lester, Colson, Matlock, Von Fossen, Slemkewicz

GCL: Bennett, Keating

Issue 1: Should the Commission approve FPL’s petition to recover natural gas storage project costs through the fuel adjustment clause?

Recommendation: Yes, in part. (1) The Commission should approve FPL’s petition to recover gas storage project cost for the monthly storage reservation charge, the injection/withdrawal charges, and the monthly insurance charge through the fuel adjustment clause. (2) The Commission should allow FPL to recover the carrying cost of the gas inventory through the fuel adjustment clause until the expiration of the current base rate stipulation.¹ At that time, the gas inventory should be considered a base rate item and the carrying cost should no longer be eligible for recovery through the fuel adjustment clause. (3) The Commission should not allow FPL to recover the cost of base gas for the project as a one-time charge to the fuel adjustment clause. Instead, the base gas should be recorded as a regulatory asset and be amortized over the term of the storage agreement to the fuel adjustment clause. In addition, a return on the unamortized balance of the base gas should be recovered through the fuel adjustment clause until the expiration of the current base rate stipulation.¹ At that time, the return on the unamortized balance of base gas will be considered a base rate item and will no longer be eligible for recovery through the fuel adjustment clause. When FPL is compensated, either through exchange or sale, for the base gas at the end of the storage agreement, FPL should credit this amount to the fuel adjustment clause.

Issue 2: Should the Commission approve FPL’s request to recover carrying costs on gas inventory that it maintains at the Bay Gas storage facility through the fuel adjustment clause?

Recommendation: Yes. The Commission should allow FPL to recover carrying costs on gas inventory stored at the Bay Gas facility through the fuel adjustment clause until the expiration of the current base rate stipulation.² At that time, the gas inventory will be considered a base rate item and the carrying cost will no longer be eligible for recovery through the fuel adjustment clause.

¹Order No. PSC-05-0902-S-EI, issued September 14, 2005, in Docket No. 050045-EI, In re: Petition for rate increase by Florida Power & Light Company.

²Order No. PSC-05-0902-S-EI, issued September 14, 2005, in Docket No. 050045-EI, In re: Petition for rate increase by Florida Power & Light Company.

ITEM NO.

CASE

13**PAA

Docket No. 060362-EI – Petition to recover natural gas storage project costs through fuel cost recovery clause, by Florida Power & Light Company.

(Continued from previous page)

Issue 3: Should the docket be closed?

Recommendation: Yes. The Commission should close this docket upon issuance of a consummating order unless a person whose 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

14**PAA

Docket No. 060410-EI – Petition for approval of stipulation regarding interconnection of distributed resources to electric power system, by Florida Power & Light Company, Gulf Power Company, Progress Energy Florida, and Tampa Electric Company.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Deason

Staff: ECR: McRoy, Dickens, Kummer

GCL: Bellak

Issue 1: Should the Commission approve the joint stipulation filed by Florida Power & Light Company, Gulf Power Company, Progress Energy Florida and Tampa Electric Company (IOUs)?

Recommendation: Yes. The Commission should approve the joint stipulation (Attachment A to staff's August 3, 2006 memorandum). The stipulation is consistent with the intent embodied in Section 111(d)(15) of EPACT.

Issue 2: Should this docket be closed?

Recommendation: Yes. If no person whose substantial interests are affected by the proposed 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

15**

Docket No. 060408-EI – Petition for approval of modifications to demand-side management plan by Florida Power & Light Company.

Critical Date(s): None (60-day suspension date waived by petitioner)

Commissioners Assigned: All Commissioners

Prehearing Officer: Deason

Staff: ECR: Haff, Colson, Dickens

GCL: Fleming

Issue 1: Should the Commission approve Florida Power & Light Company's Petition for Modifications to its Demand-Side Management Plan, including recovery of reasonable and prudent costs through the energy conservation cost recovery clause?

Recommendation: Yes. FPL's proposed modifications will increase incentives for certain conservation measures to increase participation levels and, therefore, increase demand and energy savings. All new and modified programs are expected to continue to meet the policy objectives of the Florida Energy Efficiency and Conservation Act (FEECA), and will continue to be monitorable and cost-effective. Within 60 days of an order approving FPL's petition, FPL should file detailed program standards, for all new and revised DSM programs, for administrative approval by staff.

Issue 2: Should this docket be close?

Recommendation: Yes. If Issue 1 is approved, this tariff should become effective on August 15, 2006. If a protest is filed within 21 days of the issuance of the order, this tariff should remain in effect with any increase held subject to refund pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order.

ITEM NO.

CASE

16**PAA

Docket No. 060387-EQ – Request for approval of contract with a qualifying facility for purchase of firm capacity and energy between Florida Power Corporation d/b/a Progress Energy Florida, Inc. and Florida Biomass Energy Group, L.L.C.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Deason

Staff: ECR: Sickel, Haff, Windham

GCL: Brown

Issue 1: Should the Commission approve Progress Energy Florida's (PEF) petition for approval of the negotiated contract for firm capacity and energy from Florida Biomass Energy Group, LLC (Florida Biomass)?

Recommendation: Yes. Over the 25-year term of this negotiated contract, estimated capacity and energy payments to Florida Biomass have been shown to result in net present value savings of \$39 million to PEF's ratepayers, based on a projected generating capacity of 116.6 megawatts (MW).

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

17**

Docket No. 050595-WS – Application for certificates to provide water and wastewater service in Polk County by Four Points Utility Corporation. (Deferred from July 18, 2006 conference; revised recommendation filed.)

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Arriaga

Staff: ECR: Johnson, Kaproth, Walden

GCL: Gervasi

Issue 1: Should Four Points Utility Corporation be ordered to show cause, in writing within 21 days, as to why it should not be fined for providing water and wastewater service to the public for compensation without first obtaining certificates of authorization and without obtaining the approval of the Commission to charge rates and charges, in apparent violation of Sections 367.045, 367.081(1), and 367.091(3), Florida Statutes, and Rules 25-30.034(1)(g) and 25-30.135, Florida Administrative Code?

Recommendation: Yes. Four Points Utility Corporation should be ordered to show cause, in writing within 21 days, as to why it should not be fined in the amount of \$5,000 for providing water and wastewater service to the public for compensation without first obtaining certificates of authorization and without obtaining the approval of the Commission to charge rates and charges, in apparent violation of Sections 367.031, 367.081(1), and 367.091(3), Florida Statutes, and Rules 25-30.032(1), 25-30.034(1)(g) and 25-30.135, Florida Administrative Code. The order to show cause should incorporate the conditions as set forth in the analysis in staff's August 3, 2006 memorandum.

ITEM NO.

CASE

17**

Docket No. 050595-WS – Application for certificates to provide water and wastewater service in Polk County by Four Points Utility Corporation. (Deferred from July 18, 2006 conference; revised recommendation filed.)

(Continued from previous page)

Issue 2: Should the utility be authorized to continue charging its current rates on a temporary basis and subject to refund with interest?

Recommendation: Yes. The utility should be authorized on a temporary basis to continue charging its current rates and required to hold 44% of its revenues billed as of July 18, 2006 subject to refund pending the final outcome of this proceeding. If the final rates are lower than the current rates, the applicant should be required to refund the difference, with interest, pursuant to Rule 25-30.360, Florida Administrative Code. The utility should be required to provide evidence of a bond, letter of credit, or escrow account as security in the amount of \$77,050 to guarantee the refund by August 16, 2006. Pursuant to Rule 25-30.360(6), Florida Administrative Code, 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 revenues billed and the amount subject to refund at the end of the preceding month until the final order is issued. The report filed should also indicate the status of the security being used to guarantee repayment of any potential refund. Further, the Commission should prohibit the utility from disconnecting service for failure to pay contested bills for any utility service subject to the Commission's jurisdiction while the Commission is investigating these matters.

Issue 3: Should this docket be closed?

Recommendation: No. This docket should remain open pending a ruling on the application for certificates of authorization after a hearing is held on the matter.

ITEM NO.

CASE

18**

Docket No. 040384-WS – Application for amendment to Certificates 247-W and 189-S in Seminole County by Sanlando Utilities Corporation.

Critical Date(s): None

Commissioners Assigned: Deason, Arriaga, Carter
Prehearing Officer: Deason

Staff: ECR: Redemann
GCL: Brubaker

Issue 1: Should Sanlando Utilities Corporation be ordered to show cause, in writing, within 21 days, why it should not be fined for serving outside its certificated territory without prior Commission approval in apparent violation of Section 367.045(2), Florida Statutes?

Recommendation: No. The Commission should not order Sanlando Utilities Corporation to show cause for failing to obtain an amended certificate of authorization prior to serving outside of its certificated territory.

Issue 2: Should Sanlando's Motion to Approve the Settlement Agreement between Sanlando and Seminole County be granted?

Recommendation: Yes. Sanlando's motion should be granted and the Settlement Agreement between Sanlando and Seminole County should be acknowledged.

Issue 3: Should the Commission approve the application to amend Certificates 247-W and 189-S in Seminole County by Sanlando Utilities Corporation?

Recommendation: Yes. The Commission should approve Sanlando Utilities Corporation's amendment application. The proposed territory and the deleted territory are described in Attachment B of staff's August 3, 2006 memorandum, and the utility's composite description is described in Attachment C. The utility should charge the customers in the territory added herein the rates and charges contained in its current tariff until authorized to change by the Commission.

Issue 4: Should this docket be closed?

Recommendation: Yes. If the Commission votes to approve staff's recommendations in the previous issues, this docket should be closed.

