FLORIDA PUBLIC SERVICE COMMISSION

COMMISSION CONFERENCE AGENDA

CONFERENCE DATE AND TIME: Tuesday, September 16, 2008, 9:30 a.m.

LOCATION: Betty Easley Conference Center, Joseph P. Cresse Hearing Room 148

DATE ISSUED: September 5, 2008

NOTICE

Persons affected by Commission action on certain items on this agenda may be allowed to address the Commission, either informally or by oral argument, when those items are taken up for discussion at this conference. These items are designated by double asterisks (**) next to the agenda item number.

To participate informally, affected persons need only appear at the agenda conference and request the opportunity to address the Commission on an item listed on agenda. Informal participation is not permitted: (1) on dispositive motions and motions for reconsideration; (2) when a recommended order is taken up by the Commission; (3) in a rulemaking proceeding after the record has been closed; or (4) when the Commission considers a post-hearing recommendation on the merits of a case after the close of the record. The Commission allows informal participation at its discretion in certain types of cases (such as declaratory statements and interim rate orders) in which an order is issued based on a given set of facts without hearing.

See Rule 25-22.0021, F.A.C., concerning Agenda Conference participation and Rule 25-22.0022, F.A.C., concerning oral argument.

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Any person requiring some accommodation at this conference because of a physical impairment should call the Office of Commission Clerk at (850) 413-6770 at least 48 hours before the conference. Any person who is hearing or speech impaired should contact the Commission by using the Florida Relay Service, which can be reached at 1-800-955-8771 (TDD). Assistive Listening Devices are available in the Office of Commission Clerk, Betty Easley Conference Center, Room 110.

Video and audio versions of the conference are available and can be accessed live on the PSC Website on the day of the Conference. The audio version is available through archive storage for up to three months after the conference.

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Commission Conference Agenda
September 16, 2008

ITEM NO.	CASE
1**	**Consent Agenda**

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

DOCKET NO.	COMPANY NAME
080528-TC	Jose Ortiz

PAA B) Application for certificate to provide competitive local exchange telecommunications service.

DOCKET NO.	COMPANY NAME
080545-TX	Clective Telecom Florida, LLC

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

ITEM NO.	CASE

2 **Docket No. 080308-TP** – Complaint against MCI Communications Services, Inc. d/b/a Verizon Business Services for failure to pay intrastate access charges pursuant to Embarq's tariffs, by Embarq Florida, Inc.

Critical Date(s): None

Commissioners Assigned: All Commissioners
Prehearing Officer: Skop

Staff: GCL: Mann, Murphy
RCP: Bloom, King

(Oral Argument requested)
Issue 1: Should the Commission grant Verizon's Request for Oral Argument?
Recommendation: Yes. Staff recommends that the Commission grant Verizon's Request for Oral Argument, because staff believes that it might benefit the Commission to hear argument on the Motion to Dismiss. If the Commission grants oral argument, staff recommends allowing five minutes for each party.
Issue 2: Should the Commission grant Verizon's Motion to Dismiss Embarq's Complaint?
Recommendation: No. Staff recommends that the Commission deny Verizon's Motion to Dismiss, because Embarq's Complaint states a cause of action that is within the Commission's jurisdiction and for which relief may be granted.
Issue 3: Should this Docket be closed?
Recommendation: No. If the Commission approves staff's recommendation in Issue 2, this Docket should be held open pending further proceedings.

ITEM NO.	CASE

3**PAA

Docket No. 080521-TP – Joint petition for waiver of carrier selection requirements of Rule 25-4.118, F.A.C., to allow transfer of certain local and long distance service customers from Navigator Telecommunications, LLC to Access Integrated Networks, Inc. d/b/a Birch Communications.

Critical Date(s): None

Commissioners Assigned: All Commissioners
Prehearing Officer: Administrative

Staff: RCP: Watts
GCL: Brooks, 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 Navigator Telecommunications, LLC's local and long distance customers to Access Integrated Networks, Inc. d/b/a Birch Communications?
Recommendation: Yes, the Commission should approve the request for waiver of the carrier selection requirements of Rule 25-4.118, Florida Administrative Code. Any waiver approved by the Commission should only apply to the specific set of customers identified in the petition. The petitioners should be required to provide the Commission notification of the actual date when the transaction is consummated. If for any reason the transaction is not consummated, any waiver approved by the Commission shall be null and void.
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

4**PAA

Docket No. 080423-TX – Compliance investigation of CLEC Certificate No. 5731, issued to Esodus Communications, Inc. d/b/a Excelink Communications d/b/a Instatone, for apparent violation of Section 364.183(1), F.S., Access to Company Records and apparent first-time violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.

Docket No. 080460-TX – Compliance investigation of CLEC Certificate No. 8148, issued to Laser Telecom, LLC, for apparent violation of Section 364.183(1), F.S., Access to Company Records and first-time violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.

Docket No. 080479-TX – Compliance investigation of CLEC Certificate No. 8624, issued to Minority Telecom Resalers, Inc. d/b/a North Dade Telecom, for apparent violation of Section 364.183(1), F.S., Access to Company Records and first-time violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.

Docket No. 080481-TX – Compliance investigation of CLEC Certificate No. 8649, issued to MOA Business Corporation d/b/a ZStar Communications, for apparent violation of Section 364.183(1), F.S., Access to Company Records and first-time violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.

Docket No. 080482-TX – Compliance investigation of CLEC Certificate No. 8670, issued to E-Z Family Connection, Corp., for apparent violation of Section 364.183(1), F.S., Access to Company Records and first-time violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.

Docket No. 080484-TX – Compliance investigation of CLEC Certificate No. 8672, issued to Telcentrex, LLC, for apparent violation of Section 364.183(1), F.S., Access to Company Records and first-time violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.

Docket No. 080485-TX – Compliance investigation of CLEC Certificate No. 8676, issued to TYBE COMMUNICATIONS INC., for apparent violation of Section 364.183(1), F.S., Access to Company Records and first-time violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.

Docket No. 080494-TX – Compliance investigation of CLEC Certificate No. 8702, issued to Cubic Communications, LLC, for apparent violation of Section 364.183(1), F.S., Access to Company Records and first-time violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.

Critical Date(s): None

Commissioners Assigned: All Commissioners
Prehearing Officer: Administrative

Staff: RCP: Watts
GCL: Tan, McKay
SGA: Hunter, Shafer

ITEM NO.	CASE

4**PAA

Docket No. 080423-TX –Esodus Communications, Inc. d/b/a Excelink Communications d/b/a Instatone,
Docket No. 080460-TX –Laser Telecom, LLC
Docket No. 080479-TX –Minority Telecom Resalers, Inc. d/b/a North Dade Telecom
Docket No. 080481-TX –MOA Business Corporation d/b/a ZStar Communications
Docket No. 080482-TX –E-Z Family Connection, Corp.
Docket No. 080484-TX –Telcentrex, LLC
Docket No. 080485-TX –TYBE COMMUNICATIONS INC.
Docket No. 080494-TX –Cubic Communications, LLC

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Issue 1: Should the Commission impose a penalty in the amount of $10,000 or cancel the respective certificate of each company listed in Attachment A of staff's memorandum dated September 4, 2008, for its apparent violation of Section 364.183(1), Florida Statutes, Access to Company Records?
Recommendation: Yes, the Commission should impose a penalty in the amount of $10,000 or cancel the respective certificate of each company listed in Attachment A of staff's memorandum dated September 4, 2008, for its apparent violation of Section 364.183(1), Florida Statutes, Access to Company Records.
Issue 2: Should these dockets 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 interests are affected by the Commission's decision in a given docket 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 any of the companies listed in Attachment A of staff's memorandum dated September 4, 2008, fails to timely file a protest in its respective docket and request a Section 120.57, Florida Statutes, hearing, the facts in that docket should be deemed admitted, the right to a hearing waived, and the penalty should be deemed assessed. If any of the companies listed in Attachment A of staff's memorandum dated September 4, 2008, fails to pay the penalty within fourteen (14) calendar days after the issuance of the Consummating Order, the company's CLEC certificate, as listed in Attachment A of staff's memorandum dated September 4, 2008, should be canceled. If a company's certificate is canceled in accordance with the Commission's Order from this recommendation, that company should be required to immediately cease and desist providing telecommunications services in Florida. A protest in one docket should not prevent the action in a separate docket from becoming final. These dockets should remain open.

ITEM NO. **CASE**

5**PAA **Docket No. 080153-TI** – Acknowledgment of cancellation of IXC Registration No. TK150 by Economy Telephone, Inc., effective March 12, 2008.

Critical Date(s): None

Commissioners Assigned: All Commissioners
Prehearing Officer: Administrative

Staff: RCP: Isler
GCL: McKay

Issue 1: Should the Commission deny Economy Telephone, Inc., a voluntary cancellation of its intrastate interexchange telecommunications carrier (IXC) tariff and Registration No. TK150 and cancel the tariff and remove the company's name from the register on the Commission's own motion with an effective date of March 12, 2008?
Recommendation: Yes, the company should be denied a voluntary cancellation as listed on Attachment A of staff's memorandum dated September 4, 2008.
Issue 2: Should this docket be closed?
Recommendation: Staff recommends that the Order issued from this 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. As provided by Section 120.80(13)(b), Florida Statutes, any issues not in dispute should be deemed stipulated. If the company fails to timely file a protest and to request a Section 120.57, Florida Statutes, hearing, the facts should be deemed admitted and the right to a hearing waived. If the company pays the Regulatory Assessment Fee and statutory late payment charges prior to the expiration of the Proposed Agency Action Order, then the cancellation of the company's tariff and the removal of its name from the register will be voluntary. If the company fails to pay the Regulatory Assessment Fee and statutory late payment charges prior to the expiration of the Proposed Agency Action Order, then the company's IXC tariff should be cancelled administratively and its name removed from the register, and the collection of the past due Regulatory Assessment Fee, including any accrued statutory late payment charges, should be referred to the Florida Department of Financial Services for further collection efforts. If the company's IXC tariff is cancelled and its name removed from the register in accordance with the Commission's Order from this recommendation, the company should be required to immediately cease and desist providing intrastate interexchange telecommunications service in Florida. This docket should be closed administratively either upon receipt of the payment of the Regulatory Assessment Fee, including any accrued statutory late payment charges, or upon cancellation of the company's IXC tariff and removal of its name from the register.

ITEM NO.	CASE

6**PAA **Docket No. 060614-TC** – Compliance investigation of TCG Public Communications, Inc. for apparent violation of Section 364.183(1), F.S., Access to Company Records, and determination of amount and appropriate method for refunding overcharges for collect calls made from inmate pay telephones.

Critical Date(s): None

Commissioners Assigned: All Commissioners
Prehearing Officer: Carter

Staff: RCP: Curry, Kennedy
GCL: Tan, Teitzman
SSC: Moses, Lewis, Vickery

(Proposed Agency Action for Issues 1, 2, and 3 - Initiation to Show Cause for Issue 4.)

Recommendation to be filed by 10:00 a.m. on September 8, 2008.

ITEM NO.	CASE

7**PAA

Docket No. 080425-TX – Compliance investigation of CLEC Certificate No. 6068, issued to Rebound Enterprises, Inc. d/b/a REI Communications, for apparent violation of Section 364.183(1), F.S., Access to Company Records and second-time violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.
Docket No. 080444-TX – Compliance investigation of CLEC Certificate No. 7413, issued to Vycera Communications, Inc., for apparent violation of Section 364.183(1), F.S., Access to Company Records and second-time violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.

Critical Date(s): None

Commissioners Assigned: All Commissioners
Prehearing Officer: Administrative

Staff: RCP: Watts
GCL: Brooks, Tan
SGA: Hunter, Shafer

Issue 1: Should the Commission impose a penalty in the amount of $10,000 or cancel the respective certificate of each company listed in Attachment A of staff's memorandum dated September 4, 2008, for its apparent violation of Section 364.183(1), Florida Statutes, Access to Company Records?
Recommendation: Yes, the Commission should impose a penalty in the amount of $10,000 or cancel the respective certificate of each company listed in Attachment A of staff's memorandum dated September 4, 2008, for its apparent violation of Section 364.183(1), Florida Statutes, Access to Company Records.

ITEM NO.	CASE

7**PAA

Docket No. 080425-TX – Compliance investigation of CLEC Certificate No. 6068, issued to Rebound Enterprises, Inc. d/b/a REI Communications, for apparent violation of Section 364.183(1), F.S., Access to Company Records and second-time violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.
Docket No. 080444-TX – Compliance investigation of CLEC Certificate No. 7413, issued to Vycera Communications, Inc., for apparent violation of Section 364.183(1), F.S., Access to Company Records and second-time violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.

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Issue 2: Should these dockets 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 interests are affected by the Commission's decision in a given docket 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 any of the companies listed in Attachment A of staff's memorandum dated September 4, 2008, fails to timely file a protest in its respective docket and request a Section 120.57, Florida Statutes, hearing, the facts in that docket should be deemed admitted, the right to a hearing waived, and the penalty should be deemed assessed. If any of the companies listed in Attachment A of staff's memorandum dated September 4, 2008, fails to pay the penalty within fourteen (14) calendar days after the issuance of the Consummating Order, the company's CLEC certificate, as listed in Attachment A of staff's memorandum dated September 4, 2008, should be canceled. If a company's certificate is canceled in accordance with the Commission's Order from this recommendation, that company should be required to immediately cease and desist providing telecommunications services in Florida. A protest in one docket should not prevent the action in a separate docket from becoming final. These dockets should remain open.

ITEM NO.	CASE

8** **Docket No. 080367-EG** – Petition for approval to modify renewable energy program by Tampa Electric Company.

Critical Date(s): 02/23/09 (8 month effective date)

Commissioners Assigned: All Commissioners
Prehearing Officer: Administrative

Staff: SGA: Brown
ECR: Draper
GCL: Hartman

Issue 1: Should the Commission approve TECO's petition to modify its Renewable Energy Program?
Recommendation: Yes. Modifying TECO's Renewable Energy Program will eliminate the mandatory one year term of participation requirement and allow for increased participation in the program.
Issue 2: Should this docket be closed?
Recommendation: Yes. If Issue 1 is approved, this tariff should become effective on October 30, 2008. 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

9** **Docket No. 080254-EI** – Petition for approval of standard interconnection agreement for non-export, parallel operators, by Tampa Electric Company.

Critical Date(s): 02/10/09 (8 month effective date)

Commissioners Assigned: All Commissioners
Prehearing Officer: Administrative

Staff: SGA: Harlow
ECR: Draper, Kummer
GCL: Brown, Sayler

Issue 1: Should the Commission approve the standard interconnection agreement for non-export, parallel operators and the associated revised tariff sheets filed by Tampa Electric Company?
Recommendation: Yes. The proposed parallel, non-export interconnection agreement protects TECO, its ratepayers, and interested customers by setting standards, procedures and limits for customers wishing to interconnect backup generation. In addition, the agreement provides benefits to interested customers by allowing parallel operation with the reduced interconnection costs associated with the restriction to export power to the grid. Further, the provisions and fees of TECO's proposed tariff appear to be reasonable.
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. If Issue 1 is approved, TECO's standard interconnection agreement for non-export, parallel generator tariff should become effective in the company's first billing cycle of the month following the Commission's vote, and remain in effect, with revenues subject to refund, pending the outcome of any protest.

ITEM NO.	CASE

10**PAA **Docket No. 080256-EI** – Petition to modify wood pole inspection plan by Progress Energy Florida, Inc.

Critical Date(s): None

Commissioners Assigned: All Commissioners
Prehearing Officer: Argenziano

Staff: SGA: Graves
GCL: Young

Issue 1: Should Progress Energy Florida, Inc. be granted approval to modify its wood pole inspection plan to allow the flexibility to use either the drilling resistance measuring device (RMD) or the more traditional sound and bore inspection methods on concrete encased poles?
Recommendation: Yes. PEF has demonstrated that the RMD inspection method and the more traditional sound and bore inspection methods provide similar inspection results. Additionally, the proposed modification may result in annual savings of more than $45,000. Therefore staff recommends that PEF be granted the proposed modifications.
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

11**PAA

Docket No. 080001-EI – Fuel and purchased power cost recovery clause with generating performance incentive factor.

Critical Date(s): None

Commissioners Assigned: All Commissioners
Prehearing Officer: McMurrian

Staff: ECR: Lester, Matlock, Maurey, McNulty, Springer
RCP: Coston, Hallenstein, Vinson
GCL: Bennett, Young

Issue 1: Should the Commission acknowledge Florida Power & Light Company's voluntary withdrawal of its Petition for Approval of Improved Volatility Mitigation Mechanism, filed January 31, 2008, in Docket No. 080001-EI?
Recommendation: Yes, the Commission should acknowledge Florida Power & Light Company's voluntary withdrawal of its Petition for Approval of Improved Volatility Mitigation Mechanism (VMM petition) as a matter of right. The effect of the voluntary withdrawal is to divest the Commission of further jurisdiction over FPL's VMM petition but not over the subject matter of hedging.
Issue 2: Should the Commission approve FPL's proposed Hedging Order Clarification Guidelines?
Recommendation: Yes. However, evaluation of hedging results can be problematic since they are not reported on a calendar basis similar to the original plans. Therefore, IOUs should address the comparability of reported results to their original plans by structuring their plans to match reporting periods, or otherwise show the comparability of objectives and results.
Issue 3: Should this docket be closed?
Recommendation: No. If no person whose substantial interests are affected by the proposed agency action issues files a protest within 21 days of the issuance of the order, a Consummating Order should be issued. However, the docket should remain open as it is an on-going docket.

ITEM NO. **CASE**

12** **Docket No. 080072-GU** – Petition for approval of a residential standby generator rate schedule, by Florida Public Utilities Company.

Critical Date(s): 09/30/08 (8-Month Effective Date)

Commissioners Assigned: All Commissioners
Prehearing Officer: Administrative

Staff: ECR: Draper
GCL: Young

Issue 1: Should the Commission approve FPUC's proposed residential standby generator rate schedule RS-GS?
Recommendation: The proposed standby generator rate schedule RS-GS should be approved for new customers only. In light of the customer comments received, current generator-only customers should remain on the residential rate until the resolution of FPUC's next rate case (Docket No. 080366-GU). Staff further recommends that FPUC be required to include a generator-only rate classification as part of its cost of service study in Docket No. 080366-GU. At that time the Commission can review whether all standby generator-only customers should be required to take service under the approved generator-only rate following the rate case.
Issue 2: Should this docket be closed?
Recommendation: Yes. If Issue 1 is approved, this tariff should become effective on September 16, 2008. If a protest is filed within 21 days of the issuance of the order, this tariff should remain in effect, with any revenues 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

13** **Docket No. 080269-WU** – Application for authority to transfer water Certificate No. 450-W, held by Pine Harbour Water Utilities, from Jim C. Branham to Pine Harbour Water Utilities, LLC, in Lake County.

Critical Date(s): None

Commissioners Assigned: All Commissioners
Prehearing Officer: Argenziano

Staff: ECR: Johnson, Kaproth
GCL: Klancke

Issue 1: Should the Commission approve the transfer of facilities and Certificate No. 450-W from Pine Harbour Water Utilities to Pine Harbour Water Utilities, LLC?
Recommendation: Yes, the transfer of facilities and Certificate No. 450-W from Pine Harbour Water Utilities to Pine Harbour Water Utilities, LLC, is in the public interest and should be approved effective as of the date of the Commission's vote. The subsequent order will serve as the utility's water certificate and should be retained by the utility. 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. Pine Harbour is current with regulatory assessment fees (RAFs) and annual reports. PHWU is responsible for filing the utility's annual report and RAFs for 2008 and future years. A description of the territory being transferred is appended to this recommendation as Attachment A of staff's memorandum dated September 4, 2008.
Issue 2: Should this docket be closed?
Recommendation: Yes, because no further action is necessary, this docket should be closed.

ITEM NO. **CASE**

14**PAA **Docket No. 070722-WS** – Application for staff-assisted rate case in Palm Beach County by W.P. Utilities, Inc.

Critical Date(s): 05/08/09 (15-Month Effective Date (SARC))

Commissioners Assigned: All Commissioners
Prehearing Officer: Argenziano

Staff: ECR: Hudson, Bruce, Bulecza-Banks, Fletcher, Daniel, Stallcup
GCL: Bennett

(Proposed Agency Action - Except for Issues 12 and 13)
Issue 1: Is the quality of service provided by W.P. considered satisfactory?
Recommendation: Yes. The Utility's quality of water and treated wastewater, the operational condition of the water distribution and wastewater collection lines, and W.P.'s attempts to address customer satisfaction are satisfactory; therefore, the Utility's overall quality of service is satisfactory.
Issue 2: What portions of the Utility's water and wastewater facilities are used and useful?
Recommendation: The Utility's water distribution and wastewater collection systems should be considered 100 percent used and useful.
Issue 3: What is the appropriate average test year rate base for this Utility?
Recommendation: The appropriate average test year rate base for W.P. is $36,254 for water and $73,659 for wastewater.
Issue 4: What is the appropriate rate of return on equity and overall rate of return for this Utility?
Recommendation: The appropriate return on equity is 12.01 percent with a range of 11.01 percent - 13.01 percent. The appropriate overall rate of return is 7.50 percent.
Issue 5: What are the appropriate amount of test year revenues?
Recommendation: The appropriate test year revenue for this Utility is $33,931 for water and $55,671 for wastewater.
Issue 6: What is the appropriate amount of operating expenses?
Recommendation: The appropriate amount of operating expense for the Utility is $58,600 for water and $56,822 for wastewater.
Issue 7: What are the appropriate revenue requirements?
Recommendation: The appropriate revenue requirement is $62,610 for water and $62,661 for wastewater.

ITEM NO.	CASE

14**PAA **Docket No. 070722-WS** – Application for staff-assisted rate case in Palm Beach County by W.P. Utilities, Inc.

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Issue 8: What are the appropriate rate structures for the Utility's water and wastewater systems?

Recommendation: The appropriate rate structure for the water system's residential class is a monthly base facility charge (BFC)/uniform gallonage charge rate structure. The appropriate rate structure for the water system's non-residential class is a traditional BFC/uniform gallonage charge. The water system's BFC cost recovery should be set at 50%. The appropriate rate structure for the wastewater system's residential and non-residential class is a monthly BFC/uniform gallonage. The non-residential gallonage charge should be 1.2 times greater than the corresponding residential charge, and the BFC cost recovery percentage for the wastewater system should be set at 50%. The residential wastewater cap should be changed to 6,000 gallons (6 kgal).

Issue 9: Is a repression adjustment appropriate in this case, and if so, what are the appropriate adjustments to make for this Utility, what are the appropriate corresponding expense adjustments to make, and what are the final revenue requirements?

Recommendation: No, a repression adjustment is not appropriate in this case. However, in order to monitor the effect of the changes to rate structure and revenue, the Utility should be ordered to file reports detailing the number of bills rendered, the consumption billed and the revenues billed on a monthly basis. In addition, the reports should be prepared, by customer class and meter size. The reports should be filed with staff, on a quarterly basis, for a period of two years beginning the first billing period after the approved rates go into effect. To the extent the Utility makes adjustments to consumption in any month during the reporting period, the Utility should be ordered to file a revised monthly report for that month within 30 days of any revision.

Issue 10: What are the appropriate rates for this Utility?

Recommendation: The appropriate monthly water and wastewater rates are shown on Schedules Nos. 4-A and 4-B of staff's memorandum dated September 4, 2008, respectively. The recommended water and wastewater rates produce revenues of $62,610 and $62,661. 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 on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved rates should be not be implemented until staff has approved the proposed customer notice and the notice has been received by the customers. The Utility should provide proof of the date notice was given no less than 10 days after the date of the notice.

ITEM NO. **CASE**

14**PAA **Docket No. 070722-WS** – Application for staff-assisted rate case in Palm Beach County by W.P. Utilities, Inc.

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Issue 11: Should the W.P. refund wastewater revenues collected from its residential customers that were in excess of the tariffed residential rate?

Recommendation: The Utility should refund $3,029 of test year wastewater revenues to its wastewater customers. A refund should be made to these customers and should be made with interest, as required by Rule 25-30.360(4), F.A.C. W.P. should be required to submit the proper refund reports, pursuant to Rule 25-30.360(7), F.A.C. The refund should be completed within one year of the effective date of this Order. The Utility should treat any unclaimed refunds as CIAC, pursuant to Rule 25-30.360(8), F.A.C. A show cause may be initiated if the Utility fails to make the refunds as prescribed.

Issue 12: 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, F.S.?

Recommendation: The water and wastewater rates should be reduced as shown on Schedule No. 4 of staff's memorandum dated September 4, 2008, to remove rate case expense grossed up for RAFs 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, F.S. 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 W.P. 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.

Issue 13: 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 W.P.?

Recommendation: Yes. Pursuant to Section 367.0814(7), F.S., the recommended 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 W.P. 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 W.P. should be subject to the refund provisions discussed in the analysis portion of staff's memorandum dated September 4, 2008. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., W.P. 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.

ITEM NO.	CASE
14**PAA	**Docket No. 070722-WS** – Application for staff-assisted rate case in Palm Beach County by W.P. Utilities, Inc.

(Continued from previous page)

Issue 14: Should this docket be closed?

Recommendation: No. If no person whose substantial interests are affected by the proposed agency action issues files a protest within 21 days of the issuance of the order, a Consummating Order should be issued. However, the docket should remain open for staff's verification that the revised tariff sheets and customer notice have been filed by the Utility and approved by staff. When the PAA issues are final and the tariff and notice actions are complete, this docket should be closed administratively.

ITEM NO. **CASE**

15** **Docket No. 060122-WU** – Joint petition for approval of stipulation on procedure with Office of Public Counsel, and application for limited proceeding increase in water rates in Pasco County, by Aloha Utilities, Inc.
Docket No. 060606-WS – Progress reports on implementation of Anion Exchange in Pasco County, filed by Aloha Utilities, Inc. pursuant to Order PSC-06-0270-AS-WU.

Critical Date(s): None

Commissioners Assigned: All Commissioners
Prehearing Officer: Skop (060122-WU)
Argenziano (060606-WS)

Staff: ECR: Willis
GCL: Hartman

Issue 1: Should the Commission abate any Aloha proceedings pursuant to the request of the Florida Governmental Utility Authority?
Recommendation: Yes, the Commission should establish an additional 45 day abatement period for all actions associated with implementing anion exchange and all actions necessary for Aloha to interconnect with Pasco County, except for the litigation to resolve the protests of Order No. PSC-08-0137-PAA-WU and the show cause proceeding initiated by Order No. PSC-08-0266-SC-WS. The 45 day abatement period, if approved, should not count against Aloha for purposes of the implementation of the Settlement Agreement approved by Order No. PSC-06-0270-AS-WU. The additional abatement period should commence upon the issuance of the order codifying the Commission's decision.
Issue 2: Should these dockets be closed?
Recommendation: No, these dockets should remain open pending the resolution of the issues associated with Aloha's interconnection with Pasco County, the implementation of anion exchange, and the show cause matter.