

FLORIDA PUBLIC SERVICE COMMISSION

COMMISSION CONFERENCE AGENDA

CONFERENCE DATE AND TIME: Tuesday, June 2, 2009, 9:30 a.m.

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

DATE ISSUED: May 21, 2009

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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ITEM NO.

CASE

1**

Consent Agenda

PAA

A) Application for certificate to provide pay telephone service.

| <u>DOCKET NO.</u> | <u>COMPANY NAME</u> |
|-------------------|---|
| 090259-TC | Fairwinds Properties, Inc. d/b/a Fairwinds Treatment Center |

PAA

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

| <u>DOCKET NO.</u> | <u>COMPANY NAME</u> |
|-------------------|----------------------|
| 090152-TX | Broadvox-CLEC, LLC |
| 090223-TX | Talk of the Town LLC |

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

ITEM NO.

CASE

2**PAA

Docket No. 090053-TX – Request for cancellation of CLEC Certificate No. 8667 by Communication Lines, Inc., effective December 31, 2008.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: RCP: Isler

GCL: Morrow

Issue 1: Should the Commission cancel Communication Lines, Inc.'s competitive local exchange telecommunications company (CLEC) Certificate No. 8667 on the Commission's own motion with an effective date of December 31, 2008?

Recommendation: Yes, the company's CLEC certificate should be cancelled on the Commission's own motion as listed on Attachment A of staff's memorandum dated May 20, 2009.

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 fails to timely file a protest to the Proposed Agency Action Order, the company's certificate should be cancelled administratively and the collection of the past due Regulatory Assessment Fees should be referred to the Florida Department of Financial Services for further collection efforts. If the company's certificate is cancelled in accordance with the Commission's Order from this recommendation, the company should be required to immediately cease and desist providing telecommunications services in Florida. This docket shall be closed administratively upon cancellation of the company's CLEC certificate.

ITEM NO.

CASE

3**PAA

Docket No. 090128-TP – Bankruptcy cancellation by Florida Public Service Commission of CLEC Certificate No. 5656 and IXC Registration No. TI307, issued to Touch 1 Communications, Inc., effective March 9, 2009.

Docket No. 090129-TP – Bankruptcy cancellation by Florida Public Service Commission of CLEC Certificate No. 5701 and IXC Registration No. TJ128, issued to Trinsic Communications, Inc., effective March 9, 2009.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: RCP: Isler

GCL: Brooks

Issue 1: Should the Commission cancel Touch 1 Communications, Inc. and Trinsic Communications, Inc.'s CLEC Certificates and IXC tariffs and remove each company's name from the register on the Commission's own motion due to bankruptcy with an effective date of March 9, 2009; direct the Division of Administrative Services to request permission from the Florida Department of Financial Services to write off any unpaid Regulatory Assessment Fees, including statutory late payment charges, instead of requesting collection services; and require the companies to immediately cease and desist providing telecommunications service in Florida?

Recommendation: Yes, each entity's CLEC certificate and IXC tariff and registration should be cancelled on the Commission's own motion due to bankruptcy as listed on Attachment A of staff's memorandum dated May 20, 2009.

Issue 2: Should these dockets be closed?

Recommendation: Yes, these dockets should be closed if no protest is filed and upon issuance of a Consummating Order.

ITEM NO.

CASE

4**PAA

Docket No. 090159-TI – Acknowledgment of cancellation of IXC Registration No. TK111 by Eymol Corp. d/b/a Voinline Telecommunications Group, effective March 18, 2009.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: RCP: Isler

GCL: McKay

Issue 1: Should the Commission deny Eymol Corp. d/b/a Voinline Telecommunications Group a voluntary cancellation of its intrastate interexchange telecommunications carrier (IXC) tariff and Registration No. TK111, 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 18, 2009?

Recommendation: Yes, Eymol Corp. d/b/a Voinline Telecommunications Group should be denied a voluntary cancellation as listed on Attachment A of staff's memorandum dated May 20, 2009.

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 Fees, including any applicable 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 Fees, including any accrued 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 unpaid Regulatory Assessment Fees, 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 telecommunications service in Florida. This docket should be closed administratively either upon receipt of the payment of the Regulatory Assessment Fees, including any accrued statutory late

ITEM NO.

CASE

4**PAA

Docket No. 090159-TI – Acknowledgment of cancellation of IXC Registration No. TK111 by Eymol Corp. d/b/a Voinline Telecommunications Group, effective March 18, 2009.

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payment charges, or upon cancellation of the company's IXC tariff and removal of its name from the register.

ITEM NO.

CASE

5**PAA

Docket No. 090224-TL – Petition to change demarcation point specified in Rule 25-4.0345(1)(b), F.A.C., by BellSouth Telecommunications, Inc. d/b/a AT&T Florida.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: RCP: Watts

GCL: Tan

Issue 1: Should the Commission approve the petition by BellSouth Telecommunications, Inc. d/b/a AT&T Florida to change the location of the demarcation point specified in Rule 25-4.0345(1)(b), F.A.C., for the provision of non-residential basic local service to subscribers at the Panama City Naval Station, Panama City Beach, Florida?

Recommendation: Yes, the Commission should approve the relocation of the demarcation point for the provision of non-residential basic local service to subscribers at the Panama City Naval Station, Panama City Beach, Florida, to a single point of demarcation as determined by the Department of the Navy for all non-residential subscribers' services at the Naval Station.

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 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, F.A.C., within 21 days of the issuance of the Proposed Agency Action Order. 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

6**PAA

Docket No. 090006-WS – Water and wastewater industry annual reestablishment of authorized range of return on common equity for water and wastewater utilities pursuant to Section 367.081(4)(f), F.S.

Critical Date(s): 12/30/09 - Pursuant to Section 367.081(4)(f), Florida Statutes

Commissioners Assigned: All Commissioners

Prehearing Officer: Argenziano

Staff: ECR: Springer, Bulecza-Banks, Buys

GCL: Hartman

Issue 1: What is the appropriate range of returns on common equity for water and wastewater (WAW) utilities, pursuant to Section 367.081(4)(f), Florida Statutes?

Recommendation: Staff recommends that the current leverage formula methodology be applied using updated financial data. Staff recommends the following leverage formula:

$$\text{Return on Common Equity} = 8.58\% + 1.087/\text{Equity Ratio}$$

Where the Equity Ratio = Common Equity / (Common Equity + Preferred Equity + Long-Term and Short-Term Debt)

Range: 9.67% @ 100% equity to 11.30% @ 40% equity

Issue 2: Should this docket be closed?

Recommendation: No. Upon expiration of the protest period, if a timely protest is not received from a substantially affected person, the decision should become final and effective upon the issuance of a Consummating Order. However, this docket should remain open to allow staff to monitor changes in capital market conditions and to readdress the reasonableness of the leverage formula as conditions warrant.

ITEM NO.

CASE

7**PAA

Docket No. 080249-WS – Application for increase in water and wastewater rates in Pasco County by Labrador Utilities, Inc.

Critical Date(s): 5-Month Effective Date Waived Through 6/2/09

Commissioners Assigned: All Commissioners

Prehearing Officer: Argenziano

Staff: ECR: Mouring, Bulecza-Banks, Daniel, Fletcher, Lingo, Rieger

GCL: Jaeger

(Proposed Agency Action Except for Issues Nos. 20 and 22)

Issue 1: Is the quality of service provided by Labrador Utilities, Inc. satisfactory?

Recommendation: Yes. The overall quality of service provided by Labrador Utilities, Inc. is satisfactory.

Issue 2: Should the audit adjustments to rate base and operating expenses to which the Utility agrees, be made?

Recommendation: Yes. Based on audit adjustments agreed to by the Utility and staff, the following adjustments should be made.

| Audit Finding | Water | Wastewater |
|--|--------------|-------------------|
| No. 1 – Reduce plant | \$2,864 | - |
| No. 1 – Increase plant | - | \$2,864 |
| No. 1 – Reduce Accumulated Depreciation | - | \$13,794 |
| No. 1 – Increase Accumulated Depreciation | \$19,972 | - |
| No. 2 – Reduce plant | \$15,338 | - |
| No. 2 – Reduce Accumulated Depreciation | \$2,324 | \$320 |
| No. 3 – Reduce plant and Accumulated Depreciation | \$13,005 | \$6,913 |
| No. 4 – Reduce plant | - | \$440 |
| No. 6 – Remove O&M Expenses related to Sandalhaven | - | \$2,910 |
| No. 7 – Reduce Rental Expense | \$12,053 | \$11,794 |
| No. 8 – Reduce Prior Rate Case Expense | \$3,016 | \$2,952 |

In addition, staff auditors performed an affiliate transactions (AT) audit of Utilities, Inc., the parent company of Labrador, and its sister companies. Based on Audit Finding No. 5 in the AT audit, transportation expense should be decreased by \$257 for water and \$247 for wastewater.

Issue 3: Should any adjustments be made to test year plant-in-service?

Recommendation: Yes. Water plant should be reduced by \$5,000.

Issue 4: What are the used and useful percentages of the Utility's water and wastewater systems?

Recommendation: The used and useful percentages for the Utility's water and wastewater systems should be considered 100 percent used and useful.

ITEM NO.

CASE

7**PAA

Docket No. 080249-WS – Application for increase in water and wastewater rates in Pasco County by Labrador Utilities, Inc.

(Continued from previous page)

Issue 5: What is the appropriate working capital allowance?

Recommendation: The appropriate working capital allowance is \$18,499 for water and \$30,027 for wastewater.

Issue 6: What is the appropriate rate base for the test year period ending December 31, 2007?

Recommendation: Consistent with other recommended adjustments, the appropriate rate base is \$526,443 for water and \$1,388,078 for wastewater.

Issue 7: What is the appropriate return on equity?

Recommendation: The appropriate return on equity is 11.13 percent based on staff's recommended 2009 leverage formula and an equity ratio of 42.59 percent. Staff recommends an allowed range of plus or minus 100 basis points be recognized for ratemaking purposes.

Issue 8: What is the appropriate weighted average cost of capital including the proper components, amounts, and cost rates associated with the capital structure?

Recommendation: Based on the resolution of the previous issues, the appropriate weighted average cost of capital, including the proper components, amounts, and cost rates associated with the capital structure, is 8.22 percent.

Issue 9: Should an adjustment to Contractual Services - Other be made?

Recommendation: Yes. Contractual Services - Other should be decreased by \$671 for water and \$656 for wastewater.

Issue 10: Should an adjustment be made to remove the Utility's Consumer Price Index (CPI) adjustments to O&M expenses?

Recommendation: Yes. O&M expenses should be reduced by \$1,943 for water and \$4,249 for wastewater to reflect the removal of the Utility's adjustments for CPI.

Issue 11: What is the appropriate amount of rate case expense?

Recommendation: The appropriate rate case expense is \$128,655. This expense should be recovered over four years for an annual expense of \$32,164. Thus, rate case expense should be reduced by \$9,990 for water and \$9,775 for wastewater, respectively.

Issue 12: Should any further adjustments be made to test year net depreciation expenses?

Recommendation: Yes. Net depreciation expense should be decreased by \$748 for water and increased by \$255 for wastewater. The corresponding adjustments include a decrease to accumulated depreciation of \$375 for water and \$12 for wastewater.

Issue 13: What is the test year water and wastewater operating income before any revenue increase?

Recommendation: Based on the adjustments discussed in previous issues, the test year operating loss is \$21,762 for water and the test year operating income is \$28,899 for wastewater.

ITEM NO.

CASE

7**PAA

Docket No. 080249-WS – Application for increase in water and wastewater rates in Pasco County by Labrador Utilities, Inc.

(Continued from previous page)

Issue 14: What is the appropriate revenue requirement?

Recommendation: The following revenue requirement should be approved:

| | <u>Test</u> <u>Year Revenues</u> | <u>\$ Increase</u> | <u>Revenue</u> <u>Requirement</u> | <u>% Increase</u> |
|------------|-------------------------------------|--------------------|--------------------------------------|-------------------|
| Water | \$155,762 | \$109,212 | \$264,974 | 70.11% |
| Wastewater | \$362,449 | \$143,109 | \$505,558 | 39.48% |

Issue 15: What are the appropriate rate structures for the Utility’s water and wastewater systems?

Recommendation: The appropriate rate structure for the Utility’s water system is the base facility charge (BFC)/uniform gallonage charge rate structure. The BFC cost recovery allocations should be set at 40 percent. The appropriate rate structure for the utility’s wastewater system is the base facility charge (BFC)/gallonage charge rate structure. The BFC cost recovery allocation should be set at 50 percent. Residential wastewater consumption should remain capped for billing purposes at 6 kgal per month. The general service wastewater gallonage charge should be 1.2 times the corresponding residential gallonage charge.

ITEM NO.

CASE

7**PAA

Docket No. 080249-WS – Application for increase in water and wastewater rates in Pasco County by Labrador Utilities, Inc.

(Continued from previous page)

Issue 16: Are repression adjustments to the utility’s water and wastewater systems appropriate in this case, and, if so, what are the appropriate adjustments to make for this utility?

Recommendation: Yes, repression adjustments are appropriate. Residential water consumption should be reduced by 7.9 percent, resulting in a consumption reduction of approximately 1,603 kgal. Total residential water consumption for ratesetting is 18,594 kgals, which represents a 6.6 percent reduction in overall consumption. The resulting water system reductions to revenue requirements are \$292 in purchased power expense, \$190 in chemicals expense, and \$22 in regulatory assessment fees (RAFs). The post-repression revenue requirement for the water system is \$263,456.

Residential wastewater consumption should be reduced by 7.4 percent, resulting in a consumption reduction of approximately 1,413 kgal. Total residential wastewater consumption for ratesetting is 17,596 kgals, which represents a 6.4 percent reduction in overall consumption. The resulting wastewater system reductions to revenue requirements are \$1,978 in purchased power expense, \$1,516 in chemicals expense, \$2,190 in sludge removal expense, and \$256 in RAFs. The post-repression revenue requirement for the wastewater system is \$500,806.

In order to monitor the effects of both the changes in revenues and rate structure, the utility should be ordered to file monthly reports detailing the number of bills rendered, the consumption billed and the revenues billed for each system. In addition, the reports should be prepared, for both the water and wastewater systems, by customer class and meter size. **The reports should be filed with staff, on a semi-annual 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.

ITEM NO.

CASE

7**PAA

Docket No. 080249-WS – Application for increase in water and wastewater rates in Pasco County by Labrador Utilities, Inc.

(Continued from previous page)

Issue 17: What are the appropriate rates for this utility?

Recommendation: The appropriate monthly water rates are shown on Schedule 4-A of staff's memorandum dated May 20, 2009, and the corresponding appropriate monthly wastewater rates are shown on Schedule 4-B of staff's memorandum dated May 20, 2009. Excluding miscellaneous service revenues, the recommended water rates are designed to produce revenues of \$263,456, while the recommended wastewater rates are designed to produce revenues of \$500,806. The utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date of the revised tariff sheets, pursuant to Rule 25-30.475(1), F.A.C. In addition, the rates should not be implemented until staff has approved the proposed customer notice. The utility should provide proof of the date the notice was given no less than 10 days after the date of the notice.

Issue 18: Should the Utility be authorized to revise its miscellaneous service charges, and, if so, what are the appropriate charges?

Recommendation: Yes. Labrador should be authorized to revise its miscellaneous service charges. The Utility should file a proposed customer notice to reflect the Commission-approved charges. The approved charges should be effective for service rendered on or after the stamped approval date of the tariff, pursuant to Rule 25-30.475(1), F.A.C., provided the notice has been approved by staff. Within 10 days of the date the order is final, Labrador should be required to provide notice of the tariff changes to all customers. The Utility should provide proof the customers have received notice within 10 days after the date that the notice was sent. The appropriate charges are reflected below.

ITEM NO.

CASE

7**PAA

Docket No. 080249-WS – Application for increase in water and wastewater rates in Pasco County by Labrador Utilities, Inc.

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Water Miscellaneous Service Charges

| | <u>Normal Hrs</u> | <u>After Hrs</u> |
|---|-------------------|------------------|
| Initial Connection | \$21 | \$42 |
| Normal Reconnection | \$21 | \$42 |
| Violation Reconnection | Actual Cost | Actual Cost |
| Premises Visit (in lieu of disconnection) | \$21 | \$42 |

Wastewater Miscellaneous Service Charges

| | <u>Normal Hrs</u> | <u>After Hrs</u> |
|---|-------------------|------------------|
| Initial Connection | \$21 | \$42 |
| Normal Reconnection | \$21 | \$42 |
| Violation Reconnection | Actual Cost | Actual Cost |
| Premises Visit (in lieu of disconnection) | \$21 | \$42 |

Issue 19: In determining whether any portion of the interim increase granted should be refunded, how should the refund be calculated, and what is the amount of the refund if any?

Recommendation: The proper refund amount should be calculated by using the same data used to establish final rates, excluding rate case expense and other items not in effect during the interim period. This revised revenue requirement for the interim collection period should be compared to the amount of interim revenue requirement granted. Based on this calculation, no refund is required for wastewater. However, the Utility should be required to refund 2.32 percent (or \$5,857 of annual revenues) of water revenues granted under interim rates. The refund should be made with interest in accordance with Rule 25-30.360(4), F.A.C. The Utility should be required to submit proper refund reports, pursuant to Rule 25-30.360(7), F.A.C. The Utility should treat any unclaimed refunds as CIAC pursuant to Rule 25-30.360(8), F.A.C. Further, the corporate undertaking should be released upon staff's verification that the required refunds have been made.

ITEM NO.

CASE

7**PAA

Docket No. 080249-WS – Application for increase in water and wastewater rates in Pasco County by Labrador Utilities, Inc.

(Continued from previous page)

Issue 20: 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?

Recommendation: The rates should be reduced as shown on Schedules Nos. 4-A and 4-B of staff's memorandum dated May 20, 2009, to remove \$17,131 for water and \$16,764 for wastewater for rate case expense, grossed up for RAFs, which is being 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.

Issue 21: Should the Utility be required to show cause, in writing within 21 days, why it should not be fined for its apparent failure to comply with the requirements of Rule 25-22.032(6)(b), F.A.C., which requires that the Utility provide to the Commission staff, within 15 working days after the Commission staff sends the complaint to the Utility, a written response to the customer's complaint?

Recommendation: Yes, the Utility should be ordered to show cause in writing, within 21 days of the show cause order, why it should not be fined \$1,000 for its apparent failure to comply with Rule 25-22.032(6)(b), F.A.C., in that in five of eleven customer complaints, the Utility did not meet the 15-day filing deadline. The order to show cause should incorporate the conditions stated in the analysis portion of staff's memorandum dated May 20, 2009.

Issue 22: Should the Utility be required to provide proof that it has adjusted its books for all Commission approved adjustments?

Recommendation: Yes. To ensure that the Utility adjusts its books in accordance with the Commission's decision, Labrador should provide proof, within 90 days of the final order in this docket, that the adjustments for all the applicable National Association of Regulatory Utility Commissioners Uniform System of Accounts primary accounts have been made.

Issue 23: Should this docket be closed?

Recommendation: No. If no person whose substantial interests are affected by the proposed agency action files a protest within twenty-one days of the issuance of the order, a consummating order will be issued. 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, and that the interim refund has been completed and verified by staff. Once these actions are complete, this docket should be closed administratively, and the corporate undertaking should be released.

ITEM NO.

CASE

8**

Docket No. 090040-SU – Application for amendment of Certificate No. 249-S to extend territory in Volusia County by North Peninsula Utilities Corp. and a request for approval of a new class of service for a general service wastewater customer in Volusia County.

Critical Date(s): 06/22/09 (60-Day Suspension Date), 12/21/09 (8-Month Effective Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Skop

Staff: ECR: Redemann

GCL: Jaeger

Issue 1: Should the Commission acknowledge North Peninsula’s “Quick Take” application to amend Certificate No. 249-S in Volusia County?

Recommendation: Yes, the Commission should acknowledge North Peninsula’s amendment application to expand its territory. The proposed territory amendment is described in Attachment A of staff’s memorandum dated May 20, 2009. The resultant order should serve as North Peninsula’s amended certificate and it should be retained by the utility.

Issue 2: Should North Peninsula’s Original Sheet No. 18.1 for a new class of service for a general service wastewater customer be approved as filed?

Recommendation: Yes. Original Sheet No. 18.1 for a new class of service for a general service wastewater customer should be approved as filed. The utility should file a proposed customer notice to reflect the Commission approved rate. The approved rate should be effective for service rendered on or after the stamped approval date of the tariff, pursuant to Rule 25-30.475, Florida Administrative Code, provided that the notice has been approved by staff. The utility should provide proof that the customer has received notice within 10 days after the date that the notice is sent.

Issue 3: Should this docket be closed?

Recommendation: If no protest is filed by a person whose interests are substantially affected within 21 days of the issuance of the Order, the Tariff Order will become final upon the issuance of a Consummating Order and the docket should be closed. If a protest is filed within 21 days of the issuance of the Order, the tariff should remain in effect pending the resolution of the protest, and the docket should remain open.

ITEM NO.

CASE

9

Docket No. 090170-WU – Application for staff-assisted rate case in Lee County by Mobile Manor Water Company, Inc.

Critical Date(s): 06/05/09 (60-Day Suspension Date)
07/06/10 (15-Month Effective Date (SARC))

Commissioners Assigned: All Commissioners

Prehearing Officer: Edgar

Staff: ECR: Crawford, Bulecza-Banks, Fletcher

GCL: Jaeger

Participation is at the discretion of the Commission.

Issue 1: Should Mobile Manor's request for interim water rates be approved?

Recommendation: Yes, Mobile Manor's request for interim water rates should be approved. The Utility should be granted a 47.09 percent interim water rate increase. If the Utility submits revised tariffs reflecting the Commission's decision on interim rates, staff should be given administrative authority to approve the submitted tariffs. The approved rates should be effective for service rendered as of the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475(1), Florida Administrative Code (F.A.C.), provided customers have received notice. The rates should not be implemented until staff verifies that the tariff sheets are consistent with the Commission's decision, the proposed customer notice is adequate, and the required security has been filed. The Utility should provide proof of the date notice was given within 10 days after the date the notice is provided to the customers.

Issue 2: What is the appropriate security to guarantee the interim water rate increase?

Recommendation: The Utility should be required to file a bond, letter of credit, or escrow agreement as security to guarantee any potential refunds of revenues collected under interim conditions. Pursuant to Rule 25-30.360(6), F.A.C., the Utility should provide a report by the 20th of each month indicating the monthly and total revenue collected subject to refund as of the end of the proceeding month.

Issue 3: Should this docket be closed?

Recommendation: No. This docket should remain open pending the final resolution of the Utility's staff-assisted rate case.