FLORIDA PUBLIC SERVICE COMMISSION COMMISSION CONFERENCE AGENDA

CONFERENCE DATE AND TIME: Tuesday, October 12, 2010, 9:30 a.m.

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

DATE ISSUED: October 1, 2010

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.

Agendas, staff recommendations, vote sheets, transcripts, and conference minutes are available from the PSC Web site, http://www.floridapsc.com, by selecting *Agenda & Hearings* and *Agenda Conferences of the FPSC*. By selecting the docket number, you can advance to the *Docket Details* page and the Document Index Listing for the particular docket. If you have any questions, contact the Office of Commission Clerk at (850) 413-6770 or e-mail the clerk at Clerk@psc.state.fl.us.

Any person requiring some accommodation at this conference because of a physical impairment should call the Office of Commission Clerk 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.

The Commission Conference has a live video broadcast the day of the conference, which is available from the PSC's Web site. Upon completion of the conference, the video will be available from the Web site by selecting *Agenda and Hearings* and *Audio and Video Event Coverage*.

Consent Agenda
Docket No. 100380-WS – Proposed repeal of Rule 25-10.026, F.A.C., Location and Preservation of Records; and Rule 25-10.111, F.A.C., Customer Billing 3
Docket No. 100175-TL – Complaint against AT&T d/b/a BellSouth for alleged violations of various sections of Florida Administrative Code, Florida Statutes, and AT&T regulations pertaining to billing of charges and collection of charges, fees, and taxes. Docket No. 100312-EI – Complaint against Florida Power & Light Company for alleged violations of various sections of Florida Administrative Code, Florida Statutes, and FPL tariffs pertaining to billing of charges and collection of charges, fees, and taxes. 4
Docket No. 090505-EI – Review of replacement fuel costs associated with the February 26, 2008 outage on Florida Power & Light's electrical system 5
Docket No. 100378-EI – Petition for approval of modifications to rate schedule BERS building energy rating system, by Gulf Power Company
Docket No. 100124-TX – Petition for designation as eligible telecommunications carrier (ETC) by Sun-Tel USA, Inc
Docket No. 100288-TL – Petition of Quincy Telephone Company d/b/a TDS Telecom/Quincy, Smart City Telecommunications LLC d/b/a Smart City Telecom, GTC, Inc. d/b/a Fairpoint Communications, Northeast Florida Telephone Company d/b/a NEFCOM, ITS Telecommunications Systems, Inc., and Frontier Communications of the South, LLC, for waiver of requirements of Rules 25-4.0185, 25-4.066, 25-4.070, 25-4.073, and 25-4.110(6), F.A.C., relating to service quality or in the alternative the waiver of Rules 25-4.0185, F.A.C., relating to service quality reporting, and 25-4.073, F.A.C., relating to answer time requirements.
Docket No. 100262-EI – Review of 2010 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Progress Energy Florida, Inc. Docket No. 100263-EI – Review of 2010 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Tampa Electric Company. Docket No. 100264-EI – Review of 2010 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Florida Public Utilities Company. Docket No. 100265-EI – Review of 2010 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Gulf Power Company. Docket No. 100266-EI – Review of 2010 Electric Infrastructure Storm Hardening

	Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Florida Power & Light Company		
9	Docket No. 100009-EI – Nuclear cost recovery clause		
10**	Docket No. 100400-WU – Investigation of rates of O&S Water Company, Inc. in Osceola County for possible overearnings		
11**PAA	Docket No. 090322-WU – Request to establish payment plan for 2008 regulatory assessment fees by O&S Water Company, Inc. in Osceola County		
12**	Docket No. 100381-WS – Request for approval of tariff amendment to include a late payment fee of \$5.25 in Orange County by Pluris Wedgefield, Inc		
13**	Docket No. 100366-WU – Joint application for acknowledgment of sale of land and facilities located in Pasco and Hillsborough Counties, Florida to Pasco County, and cancellation of Certificate No. 235-W, by C. S. Water Company, Inc.		
14**	Docket No. 080677-EI – Petition for increase in rates by Florida Power & Light Company. Docket No. 090130-EI – 2009 depreciation and dismantlement study by Florida Power & Light Company. 15		
15**	Docket No. 100410-EI – Review of Florida Power & Light Company's Earnings.		

1** Consent Agenda

A) Docket No. 100393-EI – Application for authority to issue and sell securities for 12 months ending December 31, 2011, by Tampa Electric Company.

Tampa Electric Company ("Company") seeks the authority to issue, sell and/or exchange equity securities and issue, sell, exchange and/or assume long-term or short-term debt securities and/or to assume liabilities or obligations as guarantor, endorser, or surety during calendar year 2011. The Company also seeks authority to enter into interest rate swaps or other derivative instruments related to debt securities during calendar year 2011.

The amount of all equity and long-term debt securities issued, sold, exchanged or assumed and liabilities and obligations assumed or guaranteed as guarantor, endorser, or surety will not exceed in the aggregate \$1.2 billion during calendar year 2011, including any amounts issued to retire existing long-term debt securities. The maximum amount of short-term debt outstanding at any one time will be \$900 million during calendar year 2011. This application is for both Tampa Electric Company and its local gas distribution division, Peoples Gas System.

In connection with this application, Tampa Electric Company confirms that the capital raised pursuant to this application will be used in connection with the activities of the Company's regulated electric and gas divisions and not the unregulated activities of the utilities or its affiliates.

For monitoring purposes, this docket should remain open until April 27, 2012 to allow the Company time to file the required Consummation Report.

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

2**

Docket No. 100380-WS – Proposed repeal of Rule 25-10.026, F.A.C., Location and Preservation of Records; and Rule 25-10.111, F.A.C., Customer Billing.

Rule Status: Proposed

Commissioners Assigned: All Commissioners

Prehearing Officer: Brisé

Staff: GCL: Holley

ECR: Willis, Hewitt

<u>Issue 1:</u> Should the Commission propose the repeal of Rules 25-10.026, F.A.C. and 25-10.111, F.A.C.?

Recommendation: Yes. The Commission should propose the repeal of Rules 25-10.026 and 25-10.111 as set forth in Attachment A of staff's memorandum dated September 30, 2010.

Issue 2: Should this docket be closed?

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

ITEM NO. CASE

3**

Docket No. 100175-TL — Complaint against AT&T d/b/a BellSouth for alleged violations of various sections of Florida Administrative Code, Florida Statutes, and AT&T regulations pertaining to billing of charges and collection of charges, fees, and taxes.

Docket No. 100312-EI – Complaint against Florida Power & Light Company for alleged violations of various sections of Florida Administrative Code, Florida Statutes, and FPL tariffs pertaining to billing of charges and collection of charges, fees, and taxes.

Critical Date(s): None

Commissioners Assigned: All Commissioners **Prehearing Officer:** Edgar (100175-TL) Skop (100312-EI)

Staff: GCL: Teitzman ECR: Kummer RAD: Beard

Issue 1: Should AT&T's Motion to Dismiss be Granted?

Recommendation: Yes. Petitioner's Complaint fails to state a claim upon which this Commission can grant relief. Accordingly, the Complaint should be dismissed with prejudice.

<u>Issue 2:</u> Should Florida Power & Light Company's Motion to Dismiss be Granted?

Recommendation: Yes. Petitioner's Complaint fails to state a claim upon which this Commission can grant relief. Accordingly, the Complaint should be dismissed with prejudice.

Issue 3: Should these dockets be closed?

Recommendation: If the Commission agrees with staff in Issues 1 and 2, then Petitioner's Complaints should be dismissed with prejudice, and these dockets should be closed.

4

ITEM NO. CASE

Docket No. 090505-EI – Review of replacement fuel costs associated with the February 26, 2008 outage on Florida Power & Light's electrical system.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Skop

Staff: GCL: Bennett

ECR: Lee, Roberts RAD: Graves, Matthews

(Oral Argument Not Requested - Participation at the Discretion of the Commission. Motion for Reconsideration. Pursuant to Section 350.01, F.S., only Commissioners who voted on the final order may vote on reconsideration.)

<u>Issue 1:</u> Should the Commission reconsider its decision to credit FPL with 27 hours of time associated with the repair of the rod position indication system at Turkey Point Unit 3?

Recommendation: No. The Commission considered and evaluated all the record evidence in reaching its conclusion that the incremental time associated with the repair of the rod position indication system was 27 hours and not 126 hours. Because the Commission did not overlook or fail to consider the evidence in the record, FPL's motion for reconsideration should be denied.

<u>Issue 2:</u> Should the Commission reconsider its decision to require Florida Power & Light Company to refund the full 107 hours of outage at Turkey Point Unit 4, without giving credit for the time required to replace and test a malfunctioning relay in at the reverse power protection system?

Recommendation: No. The Commission did not overlook or fail to consider Order No. 23232, issued July 20, 1990, in Docket No. 900001-EI (Order No. 23232), in requiring a refund for the full outage time at Turkey Point Unit 4. The repair for the relay was not a planned outage. In Order No. 23232, a portion of the outage coincided with a planned outage.

<u>Issue 3:</u> Should the Commission make any corrections to the refund amount established in Order No. PSC-10-0381-EI?

Recommendation: No. The Commission did not overlook or fail to consider the factual and legal issues raised by FPL in reaching the Commission's decision to require a refund of \$13,854,054 to ratepayers as a result of the February 26, 2008 outage.

Issue 4: Should this docket be closed?

Recommendation: Yes. Upon expiration of the time for appeal, if no appeal has been taken, this docket should be closed.

ITEM NO. CASE

5**PAA

Docket No. 100378-EI – Petition for approval of modifications to rate schedule BERS building energy rating system, by Gulf Power Company.

Critical Date(s): None

Commissioners Assigned: All Commissioners **Prehearing Officer:** Administrative

Staff: RAD: Brown GCL: Teitzman

<u>Issue 1:</u> Should the Commission approve Gulf Power Company's proposed modification to its BERS Rate Schedule?

Recommendation: Yes. Gulf Power's cost to offer BERS Audits have increased due to rising labor costs. The proposed modifications would increase the amount Gulf Power charges in its BERS Audit fee schedule to reflect the actual costs of the BERS Audit.

Issue 2: Should this docket be closed?

Recommendation: Yes. If the Commission approves staff's recommendation to approve the proposed modified rate schedule BERS filed by Gulf Power Company, and 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. 100124-TX – Petition for designation as eligible telecommunications carrier (ETC) by Sun-Tel USA, Inc.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Graham

Staff: RAD: C. Williams, Casey

GCL: Tan, Teitzman

Issue 1: Should Sun-Tel be granted landline ETC designation in the State of Florida? **Recommendation:** Yes. Staff recommends that Sun-Tel be granted landline ETC designation status in the 86 non-rural AT&T wire centers listed in Attachment B of staff's memorandum dated September 30, 2010. If there is a future change of company ownership, the new owners should be required to file a petition with the FPSC and make a showing of public interest to maintain the company's ETC designation. If Sun-Tel is approved for ETC status, the Commission should also require Sun-Tel to submit the number of UNEs purchased from AT&T for each month during the quarter when it files its quarterly reports.

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

7**PAA

Docket No. 100288-TL – Petition of Quincy Telephone Company d/b/a TDS Telecom/Quincy, Smart City Telecommunications LLC d/b/a Smart City Telecom, GTC, Inc. d/b/a Fairpoint Communications, Northeast Florida Telephone Company d/b/a NEFCOM, ITS Telecommunications Systems, Inc., and Frontier Communications of the South, LLC, for waiver of requirements of Rules 25-4.0185, 25-4.066, 25-4.070, 25-4.073, and 25-4.110(6), F.A.C., relating to service quality or in the alternative the waiver of Rules 25-4.0185, F.A.C., relating to service quality reporting, and 25-4.073, F.A.C., relating to answer time requirements.

Critical Date(s): 11/15/10 - date by which rule waiver request must be ruled upon

Commissioners Assigned: All Commissioners

Prehearing Officer: Brisé

Staff: RAD: Watts SSC: Vickery

GCL: Gervasi

<u>Issue 1:</u> Should the Commission grant the amended petition for waiver of the requirements of Rules 25-4.073 and 25-4.0185, F.A.C.?

Recommendation: Yes, the Commission should grant the amended petition for waiver of the requirements of Rules 25-4.073 and 25-4.0185, F.A.C.

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 within 21 days of the issuance date of the order arising from this recommendation, the docket should be closed upon the issuance of a consummating order.

8**PAA

Docket No. 100262-EI – Review of 2010 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Progress Energy Florida, Inc.

Docket No. 100263-EI – Review of 2010 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Tampa Electric Company.

Docket No. 100264-EI – Review of 2010 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Florida Public Utilities Company.

Docket No. 100265-EI – Review of 2010 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Gulf Power Company.

Docket No. 100266-EI – Review of 2010 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Florida Power & Light Company.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Brisé

Staff: ECR: L'Amoreaux, Dowds GCL: Bennett, Jackson

<u>Issue 1:</u> Should the Commission approve Progress Energy Florida, Inc.'s (PEF) updated 2010-2012 storm hardening plan?

Recommendation: Yes, the Commission should approve the updated storm hardening plan filed by Progress Energy Florida, Inc.

<u>Issue 2:</u> Should the Commission approve Tampa Electric Company's (TECO) updated 2010-2012 storm hardening plan?

Recommendation: Yes, the Commission should approve the updated storm hardening plan filed by Tampa Electric Company.

<u>Issue 3:</u> Should the Commission approve Florida Public Utilities Company's (FPUC) updated 2010-2012 storm hardening plan?

Recommendation: Yes, the Commission should approve the updated storm hardening plan filed by Florida Public Utilities Company.

<u>Issue 4:</u> Should the Commission approve Gulf Power Company's (Gulf) updated 2010-2012 storm hardening plan?

Recommendation: Yes, the Commission should approve the updated storm hardening plan filed by Gulf Power Company.

<u>Issue 5:</u> Should the Commission approve Florida Power & Light Company's (FPL) updated 2010-2012 storm hardening plan?

Recommendation: Yes, the Commission should approve the updated storm hardening plan filed by Florida Power & Light Company.

<u>Issue 6:</u> Should these dockets be closed?

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

9 **Docket No. 100009-EI** – Nuclear cost recovery clause.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Skop

Staff: ECR: Breman, Buys, Cicchetti, Davis, Dowds, Hinton, Laux, Maurey

GCL: Young, Bennett, Jackson, Leveille, Williams

RAD: Garl

(Participation is Limited to Commissioners and Staff. Portions of the Recommendation are based on confidential material and access to the material is controlled.)

Recommendation will be filed on Monday, October 4, 2010 at 3:00 pm.

10**

Docket No. 100400-WU – Investigation of rates of O&S Water Company, Inc. in Osceola County for possible overearnings.

Critical Date(s): None

Commissioners Assigned: All Commissioners **Prehearing Officer:** Administrative

Staff: ECR: Fletcher, Maurey GCL: Williams, Crawford

(Issue 1 - Interested Persons May Participate and Issues 2 and 3 - Participation is at the Discretion of the Commission.)

<u>Issue 1:</u> Should the Commission initiate an investigation of O&S Water Company, Inc. for possible overearnings?

Recommendation: Yes. The Commission should initiate an investigation of O&S Water Company, Inc. for possible overearnings.

<u>Issue 2:</u> Should any amount of annual water revenues be held subject to refund? **Recommendation:** Yes. O&S should hold the following amount subject to refund.

	Adjusted Test Year Revenues	\$ Decrease	Subject to Refund
Water	\$1,205,487	(\$76,352)	6.33%

<u>Issue 3:</u> What is the appropriate security to guarantee the amount subject to refund?

Recommendation: The Utility should be required to open an escrow account or file a surety bond or letter of credit to guarantee any potential refund of revenues collected under interim conditions. If the security provided is an escrow account, the Utility should deposit \$6,363 into the escrow account each month. Otherwise, the surety bond or letter of credit should be in the amount of \$50,961. Further, an accurate and detailed account of all monies received should be kept by the Utility. By no later than the twentieth (20th) day of each month, the Utility shall file a report showing the amount of revenues collected each month subject to refund. Should a refund be required, the refund should be with interest and undertaken in accordance with Rule 25-30.360, F.A.C. In no instance shall maintenance and administrative costs associated with any refund be borne by the customers. These costs are the responsibility of, and should be borne by, the Utility.

Issue 4: Should this docket be closed?

Recommendation: No, this docket should remain open pending staff's investigation of the Utility's earnings for 2009.

11**PAA

Docket No. 090322-WU – Request to establish payment plan for 2008 regulatory assessment fees by O&S Water Company, Inc. in Osceola County.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Skop

Staff: ECR: Kaproth GCL: A. Williams

<u>Issue 1:</u> Should a payment plan be approved for the Regulatory Assessment Fees, Penalties, and Interest owed for 2004, 2008 and 2009?

Recommendation: No. O&S should be required to pay the past due RAFs of \$127,789, including penalty and interest, for 2004, 2008, and 2009 by October 29, 2010. In addition, O&S should also be required to pay the past due RAFs, plus penalty and interest, for the January 1 to June 30, 2010 period by October 29, 2010. If O&S does not pay the 2010 RAFs and the unpaid 2004, 2008 and 2009 RAFs in full by October 29, 2010, staff should file a show cause recommendation to address the nonpayment of the unpaid RAFs.

<u>Issue 2:</u> Should this docket be closed?

Recommendation: Yes. If no person whose interests are substantially affected timely files a protest to the Commission's proposed agency action order, this docket should be closed upon issuance of a consummating order. If O&S does not pay the 2010 RAFs and the unpaid 2004, 2008 and 2009 RAFs by October 29, 2010, staff should open a new docket to file a show cause recommendation to address the nonpayment of the RAFs.

12**

Docket No. 100381-WS – Request for approval of tariff amendment to include a late payment fee of \$5.25 in Orange County by Pluris Wedgefield, Inc.

Critical Date(s): 10/24/10 (60-Day Suspension Date)

Commissioners Assigned: All Commissioners **Prehearing Officer:** Administrative

Staff: ECR: Bruce, Stallcup

GCL: Klancke

Issue 1: Should the Commission suspend Pluris Wedgefield, Inc.'s proposed tariffs to establish a late payment fee for its water and wastewater tariffs and miscellaneous service charges associated with connection, reconnections, and premises visits for its wastewater tariff?

Recommendation: Yes. Pluris Wedgefield, Inc's proposed tariff sheets to establish a late payment fee for its water and wastewater tariffs and miscellaneous service charges associated with connections, reconnections, and premises visits for its wastewater tariff should be suspended pending further analyses by staff.

Issue 2: Should this docket be closed?

Recommendation: No. The docket should remain open pending the Commission's final action on the Utility's requested approval to establish a late payment fee for its water and wastewater tariffs and miscellaneous service charges associated with connection, reconnections, and premises visits for its wastewater tariff.

13**

Docket No. 100366-WU – Joint application for acknowledgment of sale of land and facilities located in Pasco and Hillsborough Counties, Florida to Pasco County, and cancellation of Certificate No. 235-W, by C. S. Water Company, Inc.

Critical Date(s): None

Commissioners Assigned: All Commissioners **Prehearing Officer:** Administrative

Staff: ECR: Golden, Donoho, Kaproth

GCL: Sayler

Issue 1: Should the transfer of the water facilities of C. S. Water Company, Inc. to Pasco County be acknowledged, as a matter of right, and Certificate No. 235-W be cancelled? **Recommendation:** Yes. The transfer of the Crystal Springs water territory and facilities to Pasco County should be acknowledged, as a matter of right, pursuant to Section 367.071(4)(a), F.S., and Certificate No. 235-W should be cancelled effective July 1, 2010, which was the closing date of the sale. Crystal Springs should be required to pay all outstanding regulatory assessment fees (RAFs) for January 1, 2010, through July 1, 2010, by March 31, 2011.

Issue 2: Should this docket be closed?

Recommendation: Yes. If the Commission approves staff's recommendation in Issue 1, this docket should be closed because no further action is necessary.

14**

Docket No. 080677-EI – Petition for increase in rates by Florida Power & Light Company.

Docket No. 090130-EI – 2009 depreciation and dismantlement study by Florida Power & Light Company.

Critical Date(s): None

Commissioners Assigned: Argenziano, Edgar, Skop

Prehearing Officer: Skop

Staff: ECR: Slemkewicz, Cicchetti, Draper, P. Lee, Lester

GCL: Bennett

(Decision on Stipulation and Settlement)

Recommendation will be filed on Monday October 4, 2010 at 12:00 noon.

15** **Docket No. 100410-EI** – Review of Florida Power & Light Company's Earnings.

Critical Date(s): None

Commissioners Assigned: Pending Prehearing Officer: Pending

Staff: ECR: Willis

GCL: Bennett

Recommendation will be filed on Monday, October 4, 2010 at 12:00 noon.