

FLORIDA PUBLIC SERVICE COMMISSION

COMMISSION CONFERENCE AGENDA

CONFERENCE DATE AND TIME: Tuesday, January 24, 2012, 9:30 a.m.

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

DATE ISSUED: January 12, 2012

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.

In accordance with the American with Disabilities Act, persons needing a special accommodation to participate at this proceeding should contact the Office of Commission Clerk no later than five days prior to the conference at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, via 1-800-955-8770 (Voice) or 1-800-955-8771 (TDD), Florida Relay Service. Assistive Listening Devices are available at 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*.

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ITEM NO.

CASE

1**

Consent Agenda

PAA

A) Request for Cancellation of Certificates of Authority to Provide Telecommunications Service.

<u>DOCKET NO.</u>	<u>COMPANY NAME</u>	<u>CERT. NO.</u>	<u>EFFECTIVE DATE</u>
110318-TP	FL - CLEC LLC	8705	12/09/2011
	FL - CLEC LLC	8706	12/09/2011

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

ITEM NO.

CASE

2

Docket No. 110041-EI – Petition for approval of Amendment No. 1 to generation services agreement with Gulf Power Company, by Florida Public Utilities Company.

Critical Date(s): PPA Amendment is expressly conditioned upon the receipt of an approval order by March 31, 2012.

Commissioners Assigned: All Commissioners

Prehearing Officer: Brisé

Staff: GCL: Robinson

RAD: Graves, Ma

ECR: Draper, Lee, Lester

(Oral Argument Requested. Participation at the Commission's discretion.)

Issue 1: Should the Commission grant FPUC and City of Marianna's requests for oral argument?

Recommendation: Yes. The Commission should grant FPUC and the City of Marianna's requests for oral argument. Oral argument should be limited to 5 minutes per party.

Issue 2: Should FPUC's Motion to Dismiss the City of Marianna's petition for formal hearing be granted?

Recommendation: Yes. The Commission should grant FPUC's Motion to Dismiss the City of Marianna's petition for formal hearing without prejudice.

Issue 3: Should the docket be closed?

Recommendation: Yes. If the Commission agrees with staff regarding Issue 2, then the City of Marianna's Petition Protesting Proposed Agency Action Order No. PSC-11-0269-PAA-EI and Requesting Formal Proceeding should be dismissed without prejudice. The docket should be closed, and a Consummating Order should be issued reviving Order No. PSC-11-0269-PAA-EI and making it final and effective.

ITEM NO.

CASE

3**

Docket No. 100459-EI – Petition for authority to implement a demonstration project consisting of proposed time-of-use and interruptible rate schedules and corresponding fuel rates in the Northwest Division on an experimental basis and request for expedited treatment, by Florida Public Utilities Company.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Balbis

Staff: GCL: Bennett

ECR: Draper, Lee

(Oral Argument Requested.)

Issue 1: Should the Commission grant the City of Marianna and FPUC’s requests for oral argument?

Recommendation: Yes. The Commission should grant the requests for oral argument. Oral argument should be limited to 5 minutes per side.

Issue 2: Should FPUC’s Motion to Dismiss the City of Marianna’s petition for formal hearing be granted?

Recommendation: Yes. FPUC’s Motion to Dismiss should be granted, with prejudice. The City has not pled facts sufficient to demonstrate that it has suffered an injury in fact or that the nature of these proceedings is designed to protect any injury the City has alleged. Moreover, the amended petition does not comply with Rule 28-106.201, F.A.C., because it does not contain “an explanation of how the petitioner’s substantial interests will be affected by the agency determination,” nor does it contain “a concise statement of the ultimate facts alleged, including the specific facts the petitioner contends warrant a reversal or modification of the agency’s proposed action.” Proposed Agency Action Order, Order No. PSC-11-0112-TRF-EI should be deemed final and effective.

Issue 3: Should the docket be closed?

Recommendation: Yes. If the Commission agrees with staff regarding Issue 2, then the City of Marianna’s Amended Petition Protesting Proposed Agency Action Order No. PSC-11-0112-TRF-EI should be dismissed with prejudice. Order No. PSC-11-0112-TRF-EI should become final and effective.

ITEM NO.

CASE

4**

Docket No. 110071-TP – Emergency Complaint of Express Phone Service, Inc. against Bellsouth Telecommunications, Inc. d/b/a AT&T Florida regarding interpretation of the parties' interconnection agreement.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Balbis

Staff: GCL: Tan
RAD: King

Issue 1: Should the Commission acknowledge Express Phone Service's December 27, 2011, Notice of Voluntary Dismissal without Prejudice?

Recommendation: Yes, the Commission should acknowledge Express Phone's December 27, 2011, Notice of Voluntary Dismissal without Prejudice.

Issue 2: Should this docket be closed?

Recommendation: Yes. If Issue 1 is approved, there is nothing further for the Commission to consider in this docket. Therefore, staff recommends that Docket No. 110071-TP be closed.

ITEM NO.

CASE

5**PAA

Docket No. 110272-EU – Joint petition for approval of a territorial agreement in Lake County between City of Leesburg, a Florida municipality and Sumter Electric Cooperative, Inc., a Florida Cooperative.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Brisé

Staff: GCL: Barrera

ECR: Rieger

Issue 1: Should the Commission approve the joint petition of a territorial agreement in Lake County between Leesburg and SECO?

Recommendation: Yes. The joint petition of a territorial agreement between Leesburg and SECO should be approved.

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 order within 21 days, the docket may be closed upon issuance of a consummating order.

ITEM NO.

CASE

6**PAA

Docket No. 110305-EI – Initiation of formal proceedings of Complaint No. 1006767E of Edward McDonald against Tampa Electric Company, for alleged improper billing.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Balbis

Staff: GCL: Robinson
ECR: Draper
SRC: Forsman, Hicks

Issue 1: Should the Commission grant Mr. McDonald the relief sought in his petition?

Recommendation: No. Staff recommends that the Commission deny Mr. McDonald's petition as it does not demonstrate that (1) TECO's attempt to collect the \$915.94 violates any statutes, rules, or Orders; (2) TECO's calculation of the \$915.94 is incorrect; and (3) TECO is liable for the \$3,500 that the bank recalled because Mr. McDonald made the payments from his mother's account without proper authorization.

Issue 2: Should the docket be closed?

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

ITEM NO.

CASE

7

Docket No. 110306-TP – Request for emergency relief and complaint of FLATEL, Inc. against BellSouth Telecommunications, Inc. d/b/a AT&T Florida to resolve interconnection agreement dispute.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Balbis

Staff: GCL: Robinson

RAD: Hawkins, Lowery

(Oral Argument not Requested. Participation at Commission's Discretion.)

Issue 1: Should the Commission grant AT&T Florida's Motion to Dismiss?

Recommendation: Yes. Staff recommends that the Commission grant AT&T Florida's dismissal motion, as the Commission lacks authority to grant an injunction, and further, FLATEL's petition is moot.

Issue 2: Should the docket be closed?

Recommendation: Yes. If the Commission agrees with staff's recommendation for issue 1, then FLATEL's petition should be dismissed without prejudice and the docket should be closed.

ITEM NO.

CASE

8**

Docket No. 110312-EQ – Petition for approval of renewable energy tariff and standard offer contract, by Florida Power & Light Company.

Critical Date(s): 01/26/12 (60-Day Suspension Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: RAD: Garl, Brown

ECR: A. Roberts

GCL: Robinson

Issue 1: Should the Commission suspend the revised renewable energy tariff filed by FPL?

Recommendation: Yes. The Commission should suspend the revised renewable energy tariff filed by FPL.

Issue 2: Should this docket be closed?

Recommendation: No. If the Commission approves Issue 1, this docket should remain open to allow staff adequate time to review the petition and make a recommendation to the Commission on the merits of the petition.

ITEM NO.

CASE

9**PAA

Docket No. 110207-EI – 2011 depreciation study by Florida Public Utilities Company.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Brown

Staff: ECR: L'Amoreaux, Wu, Cicchetti

GCL: Brown

Issue 1: Should the current depreciation rates for Florida Public Utilities Company be changed?

Recommendation: Yes. A review of the Company's plans and activities indicates a need for a revision to the currently prescribed depreciation rates.

Issue 2: What should be the implementation date for revised depreciation rates?

Recommendation: Staff recommends approval of the Company's proposed January 1, 2012, date of implementation for revised depreciation rates.

Issue 3: What are the appropriate depreciation rates?

Recommendation: The recommended lives, net salvages, reserves, resultant depreciation rates, and recovery schedules are shown on Attachment A of staff's memorandum dated January 11, 2012. The result is a decrease in annual depreciation expense of approximately \$227,343, based on the estimated January 1, 2012, investment shown on Attachment B of staff's memorandum dated January 11, 2012.

Issue 4: Should the Commission make any corrective reserve allocations between accounts?

Recommendation: Yes. Staff recommends the reserve allocations shown in Table 4-1 of staff's memorandum dated January 11, 2012. These allocations bring these accounts more in line with their theoretically correct reserve levels.

Issue 5: Should the current amortization of investment tax credits (ITCs) and flow back of excess deferred income taxes (EDITs) be revised to reflect the approved depreciation rates?

Recommendation: Yes. The current amortization of ITCs and the flowback of EDITs should be revised to match the actual recovery periods for the related property. The Company should file detailed calculations of the revised ITC amortization and flowback of EDITs at the same time it files its surveillance report covering the period ending December 31, 2011.

Issue 6: Should this docket be closed?

Recommendation: Yes. If no person whose substantial interests are affected by the Commission's 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

10**

Docket No. 110320-GU – Petition for approval of Cast Iron/Bare Steel Pipe Replacement Rider (Rider CI/BSR), by Peoples Gas System.

Critical Date(s): 02/14/12 (60-Day Suspension Date)
08/14/12 (8-Month Effective Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECR: Kummer, Higgins, Mouring, Slemkewicz, Trueblood

GCL: Brown

SRC: Black, Moses

Issue 1: Should PGS's petition for approval of a Cast Iron/Bare Steel Pipe Replacement Rider be suspended?

Recommendation: Yes.

Issue 2: Should this docket be closed?

Recommendation: No. The docket should remain open to allow further review and a subsequent recommendation on final action by the Commission.

ITEM NO.

CASE

11**PAA

Docket No. 120005-WS – Annual reestablishment of price increase or decrease index of major categories of operating costs incurred by water and wastewater utilities pursuant to Section 367.081(4)(a), F.S.

Critical Date(s): March 31, 2012 - Statutory Reestablishment Deadline

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECR: Fletcher, Maurey

GCL: Klancke

Issue 1: Which index should be used to determine price level adjustments?

Recommendation: The Gross Domestic Product Implicit Price Deflator Index is recommended for use in calculating price level adjustments. Staff recommends calculating the 2012 price index by using a fiscal year, four quarter comparison of the Implicit Price Deflator Index ending with the third quarter 2011.

Issue 2: What rate should be used by water and wastewater utilities for the 2012 Price Index?

Recommendation: The 2012 Price Index for water and wastewater utilities should be 2.41 percent.

Issue 3: How should the utilities be informed of the indexing requirements?

Recommendation: Pursuant to Rule 25-30.420(1), F.A.C., the Office of Commission Clerk, after the expiration of the Proposed Agency Action (PAA) protest period, should mail each regulated water and wastewater utility a copy of the PAA order establishing the index containing the information presented in Form PSC/ECR 15 (4/99) and Appendix A (Attachment 1 of staff's memorandum dated January 11, 2012). A cover letter from the Director of the Division of Economic Regulation should be included with the mailing of the order (Attachment 2 of staff's memorandum dated January 11, 2012). If a protest is filed and a hearing is held, the Office of Commission Clerk should mail each regulated water and wastewater utility a copy of the final order establishing the index which should contain the information presented in Form PSC/ECR 15 (4/99) and Appendix A (Attachment 1 of staff's memorandum dated January 11, 2012). A cover letter from the Director of the Division of Economic Regulation should be included with the mailing of the order (Attachment 2 of staff's memorandum dated January 11, 2012).

Issue 4: Should this docket be closed?

Recommendation: Yes, this docket should be closed upon the issuance of the Consummating Order if no substantially affected person files a timely protest within the 14-day protest period after issuance of the PAA Order. Any party filing a protest should be required to prefile testimony with the protest.