

MINUTES OF December 2, 2008
COMMISSION CONFERENCE
COMMENCED: 9:50 am
ADJOURNED: 10:40 am

COMMISSIONERS PARTICIPATING: Chairman Carter
Commissioner Edgar
Commissioner McMurrian
Commissioner Argenziano (via telephone)
Commissioner Skop

Parties were allowed to address the Commission on items designated by double asterisks (**).

1 **Approval of Minutes**
October 14, 2008 Regular Commission Conference
October 28, 2008 Regular Commission Conference

DECISION: The minutes were approved.

Commissioners participating: Carter, Edgar, McMurrian, Argenziano, Skop

ITEM NO.

CASE

2**

Consent Agenda

PAA

Application for certificate to provide competitive local exchange telecommunications service.

DOCKET NO.

COMPANY NAME

080659-TX

Solarity Communications LLC

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

DECISION: The recommendation was approved.

Commissioners participating: Carter, Edgar, McMurrian, Argenziano, Skop

ITEM NO.

CASE

3**

Docket No. 080500-WS – Application for transfer of majority organizational control of Indiantown Company Inc., holder of Certificate Nos. 387-W and 331-S in Martin County, from Postco, Inc. to First Point Realty Holdings, LLC.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Skop

Staff: GCL: Sayler

ECR: Clapp

Issue 1: Should the Commission acknowledge the voluntary dismissal of Indiantown's application and approve a partial refund the application filing fee?

Recommendation: Yes, the voluntary dismissal of Indiantown's application should be acknowledged and a partial refund of the filing fee in the amount of \$4,750 should be approved.

Issue 2: Should the docket be closed?

Recommendation: Yes, if the Commission votes to approve staff's recommendation in Issue 1, then no further action is required and the docket should be closed.

DECISION: The recommendations were approved.

Commissioners participating: Carter, Edgar, McMurrian, Argenziano, Skop

ITEM NO.

CASE

4

Docket No. 070368-TP – Notice of adoption of existing interconnection agreement between BellSouth Telecommunications, Inc. d/b/a AT&T Florida d/b/a AT&T Southeast and Sprint Communications Company Limited Partnership, Sprint Communications Company L.P., Sprint Spectrum L.P., by NPCR, Inc. d/b/a Nextel Partners.

Docket No. 070369-TP – Notice of adoption of existing interconnection agreement between BellSouth Telecommunications, Inc. d/b/a AT&T Florida d/b/a AT&T Southeast and Sprint Communications Company Limited Partnership, Sprint Communications Company L.P., Sprint Spectrum L.P., by Nextel South Corp. and Nextel West Corp.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Edgar

Staff: RCP: Bates

GCL: Tan

(Oral Argument Not Requested)

Issue 1: Should the Commission grant BellSouth Telecommunications, d/b/a AT&T Florida's Motion for Reconsideration?

Recommendation: No. Staff recommends that AT&T fails to identify any points of fact or law that the Commission overlooked or failed to consider in its decision; therefore, AT&T's Motion for Reconsideration should be denied. Staff also recommends that the Commission clarify that Nextel is adopting the current Sprint ICA, which includes the 3-year term Extension Amendment jointly filed on December 4, 2007 by AT&T Florida and Sprint in Docket No. 070249-TP, which was effective March 20, 2007.

Issue 2: Should these Dockets be closed?

Recommendation: Docket Nos. 070368-TP and 070369-TP should be closed administratively by staff once the parties refile the adoption in both of the instant dockets, and staff determines that the contractual language conforms with the Commission's decisions in these dockets.

DECISION: The recommendations were approved.

Commissioners participating: Carter, Edgar, McMurrian, Argenziano, Skop

ITEM NO.

CASE

5**PAA

Docket No. 080529-TP – Joint application for approval of indirect transfer of control of telecommunications facilities by Smart City Finance LLC and Hargray-Smart City Acquisition Co., LLC.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Edgar

Staff: RCP: Curry, Kennedy
ECR: Buys, Maurey
GCL: Morrow, McKay

Issue 1: Should the Commission approve the joint application for approval of the indirect transfer of control of Smart City Telecommunications LLC d/b/a Smart City Telecom, holder of ILEC Certificate No. 1971 and PATS Certificate No. 7664, from Smart City Finance LLC to Hargray-Smart City Acquisition Co., LLC, and acknowledge that a waiver of Rule 25-4.118, Florida Administrative Code, is not required?

Recommendation: Yes, the Commission should approve the application for approval of the indirect transfer of control of Smart City Telecommunications LLC d/b/a Smart City Telecom, holder of ILEC Certificate No. 1971 and PATS Certificate No. 7664, from Smart City Finance LLC to Hargray-Smart City Acquisition Co., LLC, and should acknowledge that a waiver of Rule 25-4.118, Florida Administrative Code is not required.

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, Florida Administrative Code, within 21 days of the issuance of the Proposed Agency Action Order. If the Commission's Order is not protested, this docket should be closed administratively upon notification by the Applicants that this transfer of control either has or has not been consummated.

DECISION: The recommendations were approved.

Commissioners participating: Carter, Edgar, McMurrian, Argenziano, Skop

ITEM NO.

CASE

6**PAA

Docket No. 080533-EQ – Petition for approval of negotiated power purchase contract for purchase of firm capacity and energy with Horizon Energy Group, LLC, by Progress Energy Florida, Inc.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Edgar

Staff: SGA: Lewis, Clemence, Ellis

GCL: Hartman

Issue 1: Should the petition submitted by Progress Energy Florida (PEF) requesting approval of a negotiated contract with a qualifying facility, Horizon Energy Group, LLC (Horizon), be approved?

Recommendation: Yes. Payments for capacity and energy are expected to yield \$91 million in net present value savings to PEF's ratepayers over the 25 year term of the contract. The performance security required in the contract sufficiently protects ratepayers in the event of default.

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.

DECISION: This item was deferred to a later Commission Conference.

Commissioners participating: Carter, Edgar, McMurrian, Argenziano, Skop

ITEM NO.

CASE

7

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, Draper, Hinton, Matlock, Roberts, Windham

GCL: Bennett, Young

(Issue 1 is a Post-Hearing Decision and participation is limited to Commissioners and Staff. For remaining issues, participation is at the Commission's discretion.)

Issue 1: Based on FPL's September 2, 2008 filings, what would be the appropriate projected net fuel and purchased power cost recovery amount to be included in the recovery factor for the period January 2009 through December 2009?

Recommendation: Based on FPL's September 2, 2008 projection filings and related exhibits filed in this docket, the appropriate amount would be \$7,027,720,757.

Issue 2: Should the Commission approve FPL's petition for a mid-course correction to its 2009 fuel and purchased power cost recovery factors?

Recommendation: Yes. The Commission should approve FPL's petition for a mid-course correction to its 2009 fuel and purchased power cost recovery factors. The factors are shown in Attachment C of staff's memorandum dated November 24, 2008.

Issue 3: If the Commission approves FPL's petition for a mid-course correction, when should the new fuel and purchased power cost recovery factors become effective?

Recommendation: If the Commission approves staff's recommendation in Issue 2, the effective date of the revised cost-recovery factors should be January 6, 2009.

Issue 4: Should this docket be closed?

Recommendation: No. The docket should remain open.

DECISION: The recommendations were approved with an oral modification made by staff at the Commission Conference.

Commissioners participating: Carter, Edgar, McMurrian, Argenziano, Skop

ITEM NO.

CASE

8**

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: Fletcher, Bulecza-Banks

GCL: Hartman, Cowdery

Issue 1: Should the Commission grant Aloha and OPC's Joint Request to Abate the implementation of anion exchange pursuant to Order No. PSC-06-0270-AS-WU in Docket 060606-WS and all actions necessary for Aloha to interconnect with Pasco County, including the litigation to resolve the protest of Order No. PSC-08-0137-PAA-WU, in Docket 060122-WU until January 9, 2009?

Recommendation: Yes, the Commission should grant Aloha and OPC's second Joint Request to Abate the implementation of anion exchange pursuant to Order No. PSC-06-0270-AS-WU in Docket 060606-WS and all actions necessary for Aloha to interconnect with Pasco County, including the litigation to resolve the protest of Order No. PSC-08-0137-PAA-WU, in Docket 060122-WU until January 9, 2009.

Issue 2: Should the Commission grant Aloha and OPC's joint request to abate the show cause proceeding initiated by Order No. PSC-08-0266-SC-WS?

Recommendation: Yes. The show cause proceeding should be abated until January 9, 2009.

Issue 3: 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 and the implementation of anion exchange.

DECISION: The recommendations were approved.

Commissioners participating: Carter, Edgar, McMurrian, Argenziano, Skop

ITEM NO.

CASE

9**PAA

Docket No. 070680-WS – Application for staff-assisted rate case in Pasco County by Orangewood Lakes Services, Inc.

Critical Date(s): 04/07/09 (15-Month Effective Date (SARC))

Commissioners Assigned: All Commissioners

Prehearing Officer: McMurrian

Staff: ECR: Hudson, Bruce, Bulecza-Banks, Fletcher, Daniel, Lingo, Stallcup, Redemann

GCL: Klancke

(Proposed Agency Action Except for Issues 12, 14, 15, 16, and 17.)

Issue 1: Should the quality of service provided by Orangewood be considered satisfactory?

Recommendation: Yes. The Utility's quality of product, operational condition, and attempts to address customer complaints are satisfactory; therefore, the overall quality of service provided by Orangewood should be considered satisfactory.

Issue 2: What are the used and useful percentages for Orangewood's water and wastewater systems?

Recommendation: The Utility's water and wastewater treatment, distribution, and collection facilities are 100 percent used and useful.

Issue 3: What is the appropriate average test year rate base for the Utility?

Recommendation: The appropriate average test year rate base for Orangewood is \$32,751 for water and \$46,546 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 7.67 percent.

Issue 5: What are the appropriate pre-repression billing determinants for ratesetting purposes for the respective water and wastewater systems?

Recommendation: The appropriate pre-repression billing determinants for ratesetting are 4,507 equivalent residential connections (ERCs) and 27,816.3 kgals for the water system and 3,991 ERCs and 21,483 kgals for the wastewater system.

Issue 6: What are the appropriate amounts of test year revenues in this case?

Recommendation: The appropriate amount of test year revenues for the Utility is \$110,623 for water and \$89,676 for wastewater.

Issue 7: What is the appropriate amount of test year operating expenses?

Recommendation: The appropriate amount of operating expense for the Utility is \$77,815 for water and \$181,865 for wastewater.

Issue 8: What are the appropriate revenue requirements?

Recommendation: The appropriate revenue requirements are \$78,900 for the water system and \$189,947 for the wastewater system.

ITEM NO.

CASE

9**PAA

Docket No. 070680-WS – Application for staff-assisted rate case in Pasco County by Orangewood Lakes Services, Inc.

(Continued from previous page)

Issue 9: What are the appropriate rate structures for the Utility’s various customer classes?

Recommendation: The appropriate rate structure for the water and wastewater systems’ residential and non-residential class is a base facility charge (BFC)/uniform gallonage charge rate structure. The unmetered residential customers of the mobile home park should be charged a bulk water rate wherein the BFC should be based on 80 percent of the ERCs. The water system’s 2 kgals allotment should be removed from the BFC, and the BFC cost recovery should be set at 50 percent. The appropriate rate structure for Orangewood’s wastewater system should be changed to a BFC/gallonage charge rate structure. The unmetered residential customers of the mobile home park should be charged a bulk wastewater rate wherein the BFC should be based on 80 percent of the ERCs. The residential monthly wastewater cap should be set at 6,000 gallons (6 kgal). 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 percent.

Issue 10: Is a repression adjustment appropriate in this case?

Recommendation: No. However, in order to monitor the effects of the changes in revenues, the Utility should prepare monthly reports for the water and wastewater systems, detailing the number of bills rendered, the consumption billed, and the revenues billed. These reports should be provided to staff. In addition, these reports should be prepared, by customer class and meter size, on a quarterly basis for a period of two years, beginning the first billing period after the approved rates go into effect.

Issue 11: What are the appropriate rates for the Utility?

Recommendation: The appropriate water and wastewater monthly rates are shown on Schedule Nos. 4-A and 4-B of staff’s memorandum dated November 18, 2008, respectively. The recommended rates should be designed to produce revenue of \$76,781 for water and \$187,549 for wastewater, excluding miscellaneous service charges. 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 not be implemented until staff has approved the proposed customer notice and the notice has been received by the customers. Orangewood should provide proof of the date notice was given no less than 10 days after the date of the notice.

ITEM NO.

CASE

9**PAA

Docket No. 070680-WS – Application for staff-assisted rate case in Pasco County by Orangewood Lakes Services, Inc.

(Continued from previous page)

Issue 12: 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 Utility did not implement the Commission-approved interim rates. Therefore, no refund is necessary.

Issue 13: Should the Utility be authorized to collect miscellaneous service charges, and, if so, what are the appropriate charges?

Recommendation: Yes. Orangewood should be authorized to collect miscellaneous service charges. The appropriate charges are reflected in staff's memorandum dated November 18, 2008. 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, Orangewood 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.

Issue 14: 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 November 18, 2008, to remove rate case expense grossed up for regulatory assessment fees 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 Orangewood 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.

ITEM NO.

CASE

9**PAA

Docket No. 070680-WS – Application for staff-assisted rate case in Pasco County by Orangewood Lakes Services, Inc.

(Continued from previous page)

Issue 15: 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 Orangewood?

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 Orangewood. 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 Orangewood should be subject to the refund provisions discussed in the analysis portion of staff's memorandum dated November 18, 2008. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., the Utility should file reports with the Commission's Division of Economic Regulation no later than the 20th of each month, indicating the monthly and total amount of 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.

Issue 16: Should the Utility be required to show cause, in writing within 21 days, why it should not be fined for assessing additional meter installation charges without an authorized tariff?

Recommendation: No. Show cause proceedings should not be initiated at this time. Orangewood should be put on notice that, pursuant to Sections 367.081(1) and 367.091(3), F.S., it may only charge rates and charges approved by the Commission.

Issue 17: Should the Commission order Orangewood to show cause, in writing within 21 days, why it should not be fined for apparent violation of Section 367.045(2), Florida Statutes?

Recommendation: No. Show cause proceedings should not be initiated; however, the Utility should be given until January 5, 2009, to file an amendment application to include the mobile home community in Orangewood's authorized territory.

Issue 18: 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 will 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 may be closed administratively.

DECISION: The recommendations were approved.

Commissioners participating: Carter, Edgar, McMurrian, Argenziano, Skop

ITEM NO.

CASE

10**PAA

Docket No. 070694-WS – Application for increase in water and wastewater rates in Orange County by Wedgefield Utilities, Inc.

Critical Date(s): 5-Month Effective Date Waived Through 12/2/08

Commissioners Assigned: All Commissioners

Prehearing Officer: Edgar

Staff: ECR: Kyle, Bruce, Bulecza-Banks, Fletcher, Redemann, Stallcup
GCL: Klancke

(Proposed Agency Action Except Issues Nos. 18 and 19.)

Issue 1: Is the quality of service provided by Wedgefield satisfactory?

Recommendation: Yes. The overall quality of the water service provided by Wedgefield is satisfactory.

DECISION: The recommendation was approved.

Issue 2: Should any adjustment be made to rate base allocations for Wedgefield?

Recommendation: Yes. Rate Base should be increased by \$34,297 for water. The appropriate net rate base allocation for Wedgefield is \$133,514 for water.

DECISION: The recommendation was approved.

Issue 3: Should any additional adjustments be made to the Utility's test year Plant in Service balance and test year expenses?

Recommendation: Yes. Based on Staff's recalculation of the Utility's plant in service, plant in service should be reduced by \$128,021 for water. Corresponding adjustments should be made to decrease accumulated depreciation by \$33,327 for water. Depreciation expense should be decreased by \$5,825 for water.

DECISION: The recommendation was approved.

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

Recommendation: Wedgefield's water treatment plant and storage tank should be considered 100 percent used and useful. The transmission and distribution mains should be considered 87.4 percent used and useful.

DECISION: The recommendation was approved.

Issue 5: What is the appropriate working capital allowance.

Recommendation: The appropriate amount of working capital is \$128,081 for water.

ITEM NO.

CASE

10**PAA

Docket No. 070694-WS – Application for increase in water and wastewater rates in Orange County by Wedgefield Utilities, Inc.

(Continued from previous page)

DECISION: The recommendation was approved.

Issue 6: Should any additional adjustments be made to the Utility's rate base?

Recommendation: Yes. An adjustment should be made to include accumulated net debit deferred income taxes in the amount of \$314,739 in rate base.

DECISION: The recommendation was approved.

Issue 7: What is the appropriate rate base for the June 30, 2007, test year?

Recommendation: Consistent with other recommended adjustments, the appropriate 13-month average rate base for the test year ending December 30, 2007, is \$4,779,794 for water.

DECISION: The recommendation was approved.

Issue 8: What is the appropriate return on common equity?

Recommendation: The appropriate return on common equity is 11.86 percent, based on the Commission's leverage formula currently in effect. Staff recommends an allowed range of plus or minus 100 basis points be recognized for ratemaking purposes.

DECISION: The recommendation was approved.

Issue 9: What is the appropriate weighted average cost of capital including the proper components, amounts, and cost rates associated with the capital structure for the test year ended June 30, 2007?

Recommendation: The appropriate weighted average cost of capital for the test year ended June 30, 2007, is 8.68 percent.

DECISION: The recommendation was approved.

Issue 10: Should any changes be made to pro forma expenses?

Recommendation: Yes. Pro forma expenses should be decreased by a total of \$24,457.

DECISION: The recommendation was approved.

ITEM NO.

CASE

10**PAA

Docket No. 070694-WS – Application for increase in water and wastewater rates in Orange County by Wedgefield Utilities, Inc.

(Continued from previous page)

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

Recommendation: The appropriate rate case expense is \$151,575. This expense should be recovered over four years for an annual expense of \$37,894. Thus, rate case expense should be reduced by \$15,686 for water.

DECISION: The recommendation was approved.

Issue 12: What is the test year water operating income before any revenue increase?

Recommendation: Based on the adjustments discussed in previous issues, the test year operating income is \$185,017 for water.

DECISION: The recommendation was approved.

Issue 13: What is the appropriate pre-repression revenue requirement for the June 30, 2007 test year?

Recommendation: The following pre-repression revenue requirement should be approved.

	Test Year		Revenue	
	<u>Revenues</u>	<u>\$ Increase</u>	<u>Requirement</u>	<u>% Increase</u>
Water	\$761,328	\$385,914	\$1,147,242	50.69%

DECISION: The recommendation was approved.

Issue 14: What is the appropriate rate structure for the Utility's water system?

Recommendation: The appropriate rate structure for the water system's residential class is a three-tier inclining block rate structure. The usage blocks should be set for consumption at: 1) 0-5 kgal; 2) 5-10 kgal; 3) usage in excess of 10 kgal, with appropriate usage block rate factors of 1.0, 1.25, and 2.0, respectively. The appropriate rate structure for the water system's non-residential class is a traditional base facility charge (BFC)/uniform gallonage charge rate structure. The water system's BFC cost recovery percentage should be set at 40 percent.

ITEM NO.

CASE

10**PAA

Docket No. 070694-WS – Application for increase in water and wastewater rates in Orange County by Wedgefield Utilities, Inc.

(Continued from previous page)

Issue 15: Are repression adjustments appropriate in this case, and, if so, what are the appropriate adjustments to make for this Utility, what are the corresponding expense adjustments, and what is the final revenue requirement for the water system?

Recommendation: Yes, a repression adjustment is appropriate for this Utility. Test year consumption should be reduced by 24,729 kgals or 16 percent. Purchased power expense should be reduced by \$6,223, chemical expense should be reduced by \$18,331, and regulatory assessment fees (RAFs) should be reduced by \$1,157. The final post-repression revenues from monthly service, which excludes miscellaneous revenues of \$3,847, should be \$1,117,684.

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.

DECISION: The recommendation was approved.

Issue 16: What are the appropriate monthly rates for the water system for the Utility?

Recommendation: The appropriate monthly water rates are shown on Schedule No. 4 of staff's memorandum dated November 18, 2008. Excluding miscellaneous service charges, the recommended water rates produce revenues of \$1,117,684. 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 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.

DECISION: The recommendation was approved.

ITEM NO.

CASE

10**PAA

Docket No. 070694-WS – Application for increase in water and wastewater rates in Orange County by Wedgefield Utilities, Inc.

(Continued from previous page)

Issue 17: Should the Utility be authorized to revise its miscellaneous service charges, and, if so, what are the appropriate charges?

Recommendation: Yes. Wedgefield 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, Wedgefield 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.

Water and Wastewater Miscellaneous Service Charges

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

DECISION: The recommendation was approved.

ITEM NO.

CASE

10**PAA

Docket No. 070694-WS – Application for increase in water and wastewater rates in Orange County by Wedgefield Utilities, Inc.

(Continued from previous page)

Issue 18: 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 rates should be reduced as shown on Schedule No. 4 of staff's memorandum dated November 18, 2008, to remove \$39,678 of water 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 30 days prior to the actual date of the required rate reduction. 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. The rates should not be implemented until staff has approved the proposed customer notice. Wedgefield should provide proof of the date notice was given no less than 10 days after the date of the notice.

DECISION: The recommendation was approved with oral modification correcting typographical errors Schedule 4-A to Schedule 4.

Issue 19: Should the Utility be required to provide proof, within 90 days of the final order issued in this docket, that it has adjusted its books for all applicable National Association of Regulatory Commissioners (NARUC) Uniform System of Accounts (USOA) primary accounts associated with Commission-approved adjustments?

Recommendation: Yes. To ensure that the Utility adjusts its books in accordance with the Commission decision, Wedgefield should provide proof, within 90 days of the final order issued in this docket, that the adjustments for all the applicable NARUC USOA primary accounts have been made.

DECISION: The recommendation was approved.

ITEM NO.

CASE

10**PAA

Docket No. 070694-WS – Application for increase in water and wastewater rates in Orange County by Wedgefield Utilities, Inc.

(Continued from previous page)

Issue 20: 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. Once these actions are complete, this docket should be closed administratively.

DECISION: The recommendation was approved.

Commissioners participating: Carter, Edgar, McMurrian, Argenziano, Skop