

MINUTES OF December 18, 2007

COMMISSION CONFERENCE

COMMENCED: 9:40 a.m.

ADJOURNED: 10:50 a.m.

COMMENCED: 11:15 a.m.

ADJOURNED: 1:55 p.m.

COMMENCED: 2:05 p.m.

ADJOURNED: 3:40 p.m.

COMMISSIONERS PARTICIPATING: Chairman Edgar
Commissioner Carter
Commissioner McMurrin
Commissioner Argenziano
Commissioner Skop

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

1

Approval of Minutes

November 20, 2007 Regular Commission Conference

DECISION: The minutes were approved.

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

ITEM NO.

CASE

2**PAA

Consent Agenda

Application for certificate to provide shared tenant service.

DOCKET NO.

COMPANY NAME

070690-TS

I Packet Networks, LLC

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

DECISION: The recommendation was approved.

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

ITEM NO.

CASE

3**

Docket No. 070674-EI – Proposed amendment of Rule 25-6.065, F.A.C., Interconnection and Net Metering of Customer-Owned Renewable Generation.

Critical Date(s): None

Rule Status: Proposed

Commissioners Assigned: All Commissioners

Prehearing Officer: McMurrian

Staff: GCL: Gervasi, Miller

ECR: Hinton, Webb, Colson, Futrell, Granieri, Hewitt, Kummer

Issue 1: Should the Commission propose amendments to Rule 25-6.065, F.A.C.?

Recommendation: Yes. The recommended amendments would encourage the development of renewable energy by allowing all types of customer-owned renewable generation up to 2 MW to benefit from expedited interconnection procedures that recognize established national safety standards. Renewable generation would be further encouraged by requiring net metering where any excess customer generated energy is carried forward to the next billing cycle to reduce customer bills. At the end of the calendar year, any remaining excess energy would be purchased by the utility at the avoided energy rate.

DECISION: The recommendation was approved with modifications to Rule 25-6.065, F.A.C., as follows:

(h) Regardless of whether excess energy is delivered to the investor-owned utility's electric grid, the customer shall continue to pay the applicable customer charge and applicable demand charge for the maximum measured demand during the billing period. The investor-owned utility shall charge for electricity used by the customer in excess of the generation supplied by customer-owned renewable generation at the investor-owned utility's otherwise applicable rate schedule ~~for non-generating customers. Tier 3 customers, whose customer-owned renewable generation capacity is 20% or more of the customer's total electric load, shall be required to take service under the investor-owned utility's standby or supplemental service rate. Tier 1 and 2 customers, and Tier 3 customers whose customer-owned renewable generation capacity is less than 20% of the customer's total electric load,~~ The customer may at their sole discretion choose to take service under the investor-owned utility's standby or supplemental service rate, if available.

ITEM NO.

CASE

3**

Docket No. 070674-EI – Proposed amendment of Rule 25-6.065, F.A.C., Interconnection and Net Metering of Customer-Owned Renewable Generation.

(Continued from previous page)

Issue 2: Should this docket be closed?

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

DECISION: The recommendation was approved.

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

ITEM NO.

CASE

4**PAA

Docket No. 070692-TP – Joint petition of SBC Long Distance, LLC d/b/a SBC Long Distance d/b/a AT&T Long Distance, TCG South Florida, and BellSouth Telecommunications, Inc. d/b/a AT&T Florida d/b/a AT&T Southeast for waiver of Rule 25-4.118, F.A.C., for migration of business local service customers from SBC Long Distance, LLC d/b/a SBC Long Distance d/b/a AT&T Long Distance to BellSouth Telecommunications, Inc. d/b/a AT&T Florida d/b/a AT&T Southeast or TCG South Florida, and request for expedited treatment.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: CMP: Kennedy

GCL: Poblete

Issue 1: Should the Commission approve the request for waiver of the carrier selection requirements of Rule 25-4.118, Florida Administrative Code, in the migration of SBC Long Distance, LLC d/b/a SBC Long Distance d/b/a AT&T Long Distance's single-line business local customers to TCG South Florida and BellSouth Telecommunications, Inc. d/b/a AT&T Florida d/b/a AT&T Southeast?

Recommendation: Yes. The Commission should approve the request for waiver of the carrier selection requirements of Rule 25-4.118, Florida Administrative Code.

Issue 2: Should this docket be closed?

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

DECISION: The recommendations were approved.

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

ITEM NO.

CASE

5**PAA

Docket No. 070682-TI – Joint petition for waiver of carrier selection requirements of Rule 25-4.118, FAC, to permit migration of interexchange customers of BridgeCom International, Inc., ATX Licensing, Inc., and A.R.C. Networks, Inc. a/b/a InfoHighway to Broadview Networks, Inc.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: CMP: Curry

GCL: McKay, Poblete

Issue 1: Should the Commission approve the request for waiver of the carrier selection requirements of Rule 25-4.118, F.A.C., to permit migration for the interexchange customers of BridgeCom International, Inc., ATX Licensing, Inc., and A.R.C. Networks, Inc. d/b/a InfoHighway to Broadview Networks, Inc.?

Recommendation: Yes. The Commission should approve the request for waiver of the carrier selection requirements of Rule 25-4.118, F.A.C., to permit migration for the interexchange customers of BridgeCom International, Inc., ATX Licensing, Inc., and A.R.C. Networks, Inc. d/b/a InfoHighway to Broadview Networks, Inc.

Issue 2: Should this docket be closed?

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

DECISION: The recommendations were approved.

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

ITEM NO.

CASE

6**PAA

Docket No. 070700-TI – Joint petition for waiver of carrier selection requirements of Rule 25-4.118, F.A.C., to allow transfer of customers from Least Cost Routing, Inc. to Primus Telecommunications, Inc. due to internal reorganization whereby Least Cost Routing, Inc. will merge into Primus Telecommunications, Inc., and acknowledgement of cancellation of IXC Registration No. TI387 by Least Cost Routing, Inc., effective December 31, 2007.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: CMP: Curry
GCL: Poblete

Issue 1: Should the Commission approve the request for waiver of carrier selection requirements of Rule 25-4.118, F.A.C., to allow the transfer of customers from Least Cost Routing, Inc. to Primus Telecommunications, Inc. due to internal reorganization whereby Least Cost Routing, Inc. will merge into Primus Telecommunications, Inc.?

Recommendation: Yes. The Commission should approve the request for waiver of carrier selection requirements of Rule 25-4.118, F.A.C., to allow the transfer of customers from Least Cost Routing, Inc. to Primus Telecommunications, Inc. due to internal reorganization whereby Least Cost Routing, Inc. will merge into Primus Telecommunications, Inc.

Issue 2: Should this docket be closed?

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

DECISION: The recommendations were approved.

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

ITEM NO.

CASE

7**

Docket No. 070052-EI – Petition by Progress Energy Florida, Inc. to recover costs of Crystal River Unit 3 uprate through fuel clause.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Carter

Staff: ECR: Lester, Ballinger, Bulecza-Banks, Draper, Kyle, Maurey, McNulty, Slemkewicz, Springer

GCL: Bennett, Young

Issue 1: Should the Commission acknowledge Progress Energy Florida’s voluntary withdrawal of its Petition to Recover Costs of Crystal River Unit 3 Uprate Through Fuel Clause, and if so, what effect does the withdrawal have on Docket No. 070052-EI?

Recommendation: Yes. The Commission should acknowledge Progress Energy Florida’s voluntary withdrawal of its Petition to Recover Costs of Crystal River Unit 3 Uprate Through Fuel Clause as a matter of right. The effect of the voluntary withdrawal is to divest the Commission of further jurisdiction over this petition.

Issue 2: Should the docket be closed?

Recommendation: Yes. If the Commission approves staff’s recommendation in Issue 1, the docket should be closed.

DECISION: The recommendations were approved.

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

ITEM NO.

CASE

8**PAA

Docket No. 070284-EI – Petition for approval of 2007 depreciation study and annual dismantlement accrual amounts by Tampa Electric Company.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Argenziano

Staff: ECR: Gardner, Bulecza-Banks, Springer

GCL: Jaeger

Issue 1: Should the preliminary depreciation rates, amortizations, recovery schedules, and provision for dismantlement for Tampa Electric Company be changed?

Recommendation: Yes. Staff recommends the Commission approve the revised lives, net salvage reserves, resultant depreciation rates, and provision for dismantlement as shown on Attachments A and C of staff's memorandum dated December 6, 2007. The effect is a decrease in depreciation and dismantlement expenses, as shown on Attachments B and C of staff's memorandum dated December 6, 2007, for an estimated \$13.6 million annually effective January 1, 2007.

Issue 2: What should be the implementation date for the new depreciation rates, amortizations, recovery schedules, and dismantlement accruals?

Recommendation: Tampa Electric's new depreciation rates, amortizations, recovery schedules, and dismantlement provision, as shown in Attachments A and C of staff's memorandum dated December 6, 2007, should have an implementation date of January 1, 2007.

Issue 3: Should any corrective reserve allocations be made?

Recommendation: Yes. Staff recommends the corrective reserve allocations for the imbalances that affect Tampa Electric's investment and reserves as shown in the table in the analysis portion of staff's memorandum dated December 6, 2007.

Issue 4: Should the depreciation rates, amortizations, and recovery schedules be changed?

Recommendation: Yes. Staff recommends the Commission approve the lives, net salvages, reserves, and resultant depreciation rates shown on Attachment A of staff's memorandum dated December 6, 2007.

Issue 5: Should the preliminary approved annual provision for fossil dismantlement be changed?

Recommendation: Yes. The Commission should approve a total annual provision for fossil fuel dismantlement of \$1,336,986, as shown on Attachment C of staff's memorandum dated December 6, 2007. This represents a decrease in the annual provision for fossil fuel dismantlement of \$2,539,917.

ITEM NO.

CASE

8**PAA

Docket No. 070284-EI – Petition for approval of 2007 depreciation study and annual dismantlement accrual amounts by Tampa Electric Company.

(Continued from previous page)

Issue 6: 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 of the order, this docket should be closed upon issuance of a consummating order.

DECISION: The recommendations were approved.

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

ITEM NO.

CASE

9**

Docket No. 070580-WU – Initiation of Show Cause Proceedings against Kincaid Hills Water Company in Alachua County for violation of Rule 25-30.110, F.A.C., Records and Reports; Annual Reports; Rule 25-30.120, F.A.C., Regulatory Assessment Fees; Water and Wastewater Utilities; and of Order PSC-04-0615-FOF-WU.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECR: Kaproth

GCL: Jaeger

Issue 1: What action should the Commission take for the failure of Kincaid Hills Water Company to pay \$500 per month as set forth in the payment plan in Order No. PSC-04-0615-FOF-WU?

Recommendation: Because the utility has not complied with the payment plan, the remaining amount of regulatory assessment fees, plus appropriate penalty and interest, for the years 1995 through 2003, which is calculated to be \$21,220.41 through December 31, 2007, should be submitted to the Division of Accounting and Auditing of the Department of Financial Services for further collection efforts or for permission to write off the account as uncollectible.

DECISION: The recommendation was approved with the modification that the Commission will request that the amount be written off and collection efforts not pursued.

Issue 2: What action should the Commission take for Kincaid Hills Water Company's failure to timely remit the appropriate regulatory assessment fees, plus the statutory penalty and interest, as required by Sections 350.113 and 367.145, F.S., and Rule 25-30.120, Florida Administrative Code, for the years 2004, 2005, and 2006?

Recommendation: In accordance with Sections 367.145(1)(b) and 367.161, F.S., Kincaid Hills should be ordered to pay the full remaining amount due of \$2,945.88, which represents the appropriate remaining regulatory assessment fees (\$225.01), plus the statutory penalty and interest, as required by Sections 350.113 and 367.145, F.S., and Rule 25-30.120, Florida Administrative Code, for the years 2004, 2005, and 2006, with interest being calculated through December 31, 2007. The utility should be allowed to

ITEM NO.

CASE

9**

Docket No. 070580-WU – Initiation of Show Cause Proceedings against Kincaid Hills Water Company in Alachua County for violation of Rule 25-30.110, F.A.C., Records and Reports; Annual Reports; Rule 25-30.120, F.A.C., Regulatory Assessment Fees; Water and Wastewater Utilities; and of Order PSC-04-0615-FOF-WU.

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enter into a payment plan as discussed in the analysis portion of staff's memorandum dated December 6, 2007. Further, if utility fails to comply with this payment plan, the utility should be put on notice that it would be subject to show cause proceedings and fines of up to \$5,000 per day per violation for each day the violation continues as set forth in Section 367.161, F.S., or revocation proceedings, pursuant to Section 367.161(2), F.S.

DECISION: The recommendation was approved with the modification that a request is sent to the Department of Financial Services, requesting that the remaining amount due is written off.

Issue 3: Should the Commission order Kincaid Hills Water Company to show cause, in writing within 21 days, why it should not remit a penalty of \$1,266 as authorized by Rule 25-30.110(7)(b), F.A.C., for its failure to timely file its 2004, 2005, and 2006 Annual Reports?

Recommendation: No. The Commission should not impose the penalty authorized by Rule 25-30.110(7)(b), F.A.C., and Kincaid Hills should not be ordered to show cause why it should be penalized \$1,266 for its failure to timely file its 2004, 2005, and 2006 Annual Reports.

DECISION: The recommendation was approved.

Issue 4: What actions should the Commission take to promote the future collection of regulatory assessment fees and the viability of this utility?

Recommendation: The utility should be considered eligible for a staff assisted rate case, provided that it has complied with all other requirements for staff assistance. Although a staff assisted rate case may be initiated upon compliance with the above, if the utility fails to pay regulatory assessment fees for the years after 2006 and it is during the pendency of the staff assisted rate case, staff should be directed to submit a recommendation as to whether the staff assisted rate case should be closed.

DECISION: The recommendation was approved with the modification that a staff-assisted rate case is to be expedited.

ITEM NO.

CASE

9**

Docket No. 070580-WU – Initiation of Show Cause Proceedings against Kincaid Hills Water Company in Alachua County for violation of Rule 25-30.110, F.A.C., Records and Reports; Annual Reports; Rule 25-30.120, F.A.C., Regulatory Assessment Fees; Water and Wastewater Utilities; and of Order PSC-04-0615-FOF-WU.

(Continued from previous page)

Issue 5: Should this docket be closed?

Recommendation: No. If the Commission approves a payment plan, the docket should remain open to allow staff to contact the Department of Financial Services to verify its approval of the payment plan. Once the payment plan has been approved, the docket should remain open until the staff assisted rate case is opened or until the payment plan is concluded if the utility does not proceed with a staff assisted rate case. Upon either of the above happening, the docket should be closed administratively.

DECISION: The recommendation was approved.

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

ITEM NO.

CASE

10**

Docket No. 070377-WU – Request for approval of change in meter installation customer deposits tariff and proposed changes in miscellaneous service charges in Marion County by Windstream Utilities Company.

Critical Date(s): February 2, 2008 (8-month effective date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECR: Deason, Rendell

GCL: Jaeger

Issue 1: Should the requested changes and additions to Windstream's Tariff Sheets Nos. 17.0 and 15.1 be approved?

Recommendation: No. The utility's First Revised Sheet No. 17.0 and Second Revised Sheet No. 15.1 should not be approved as filed. Staff's recommended Miscellaneous Service Charges and Delinquent Payment Charges as discussed in the analysis portion of staff's memorandum dated December 6, 2007, should be approved. If approved by the Commission, the utility may file revised tariff sheets and a proposed customer notice to reflect the charges recommended in the staff analysis. The approved charges would be effective for service rendered on or after the stamped approval date of the tariff, pursuant to Rule 25-30.475(2), Florida Administrative Code (F.A.C.), provided the notice has been approved by staff. Should the utility file amended tariffs, it should provide notice of the tariff changes to all customers. The utility should provide staff with proof the customers have received notice within 10 days after the date the notice is sent.

Issue 2: Should this docket be closed?

Recommendation: Yes. If Issue 1 is approved, 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. If a protest is filed within 21 days of the issuance date of the Order, the tariffs should remain in effect with all increased charges held subject to refund pending resolution of the protest, and the docket should remain open. If no timely protest is filed, the docket should be closed upon the issuance of a Consummating Order.

DECISION: The recommendations were approved.

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