

MINUTES OF December 5, 2006

COMMISSION CONFERENCE

COMMENCED: 9:35 a.m.

ADJOURNED: 11:10 a.m.

COMMENCED: 11:20 a.m.

ADJOURNED: 11:55 a.m.

COMMENCED: 1:35 p.m.

ADJOURNED: 3:15 p.m.

COMMISSIONERS PARTICIPATING: Chairman Edgar
Commissioner Deason
Commissioner Arriaga
Commissioner Carter
Commissioner Tew

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

1

Approval of Minutes

October 24, 2006 Regular Commission Conference

DECISION: The minutes were approved.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

ITEM NO.

CASE

2**

Consent Agenda

PAA

A) Application for certificate to provide pay telephone service.

<u>DOCKET NO.</u>	<u>COMPANY NAME</u>
060680-TC	PhoneWorks

PAA

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

<u>DOCKET NO.</u>	<u>COMPANY NAME</u>
060682-TX	Phone XP, L.L.C.

C) Docket No. 060723-EI – Florida Power & Light Company (“FPL” or “Company”) seeks authority to issue and sell and/or exchange any combination of long-term debt and equity securities and/or to assume liabilities or obligations as guarantor, endorser, or surety in an aggregate amount not to exceed \$5.6 billion during calendar year 2007. In addition, FPL seeks permission to issue and sell short-term securities during calendar years 2007 and 2008 in an amount or amounts such that the aggregate principal amount of short-term securities outstanding at the time of and including any such sale shall not exceed \$3.0 billion.

In connection with this application, FPL confirms that the capital raised pursuant to this application will be used in connection with the activities of FPL and not the unregulated activities of its affiliates.

For monitoring purposes, this docket should remain open until April 28, 2008 to allow the Company time to file the required Consummation Report.

ITEM NO.

CASE

2**

Consent Agenda

(Continued from previous page)

- D) Docket No. 060728-GU – Chesapeake Utilities Corporation (Chesapeake or Company) seeks authority to issue common stock, preferred stock and secured and/or unsecured debt, and to enter into agreements for interest rate swap products, equity products and other financial derivatives, and to exceed the limitation placed on short-term borrowings in 2007.

The Company seeks authority to issue during calendar year 2007 up to 5,000,000 shares of Chesapeake common stock; up to 1,000,000 shares of Chesapeake preferred stock; up to \$80 million in secured and/or unsecured debt; to enter into agreements up to \$40 million in Interest Rate Swap Products, Equity Products and other Financial Derivatives; and to obtain authorization to exceed the limitation placed on short-term borrowings by Section 366.04, Florida Statutes, so as to issue short-term obligations during 2007, in an amount not to exceed \$70 million.

Chesapeake allocates funds to the Florida Division on an as-needed basis, although in no event would such allocations exceed 75 percent of the proposed equity securities (common stock and preferred stock), long-term debt, short-term debt, Interest Rate Swap Products, Equity Products and Financial Derivatives.

For monitoring purposes, this docket should remain open until April 28, 2008 to allow the Company time to file the required Consummation Report.

- E) Docket No. 060729-GU – Florida City Gas seeks authority to finance its ongoing cash requirements through its participation and borrowings from and investments in AGL Resources' ("AGLR") Utility Money Pool during 2007. Florida City Gas is a division of Pivotal Utility Holdings, Inc., which is a wholly owned subsidiary of AGLR. The maximum aggregate borrowings by Pivotal Utility Holdings, Inc.'s three utilities from the Utility Money Pool during 2007 will not exceed \$800 million. Florida City Gas states that its share of these borrowings will not exceed \$250 million.

For monitoring purposes, this docket should remain open until April 28, 2008 to allow the Company time to file the required Consummation Report.

Recommendation: The Commission should approve the action requested in the dockets referenced above and close these dockets, with the exception of Docket Nos. 060723-EI, 060728-GU, and 060729-GU, which must remain open for monitoring purposes.

DECISION: The recommendation was approved.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

ITEM NO.

CASE

3**

Docket No. 060668-TP – Proposed amendment of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.

Critical Date(s): None

Rule Status: Proposed

Commissioners Assigned: All Commissioners

Prehearing Officer: Tew

Staff: GCL: Moore
CCA: Belcher
CMP: Kennedy
ECR: Dickens

Issue 1: Should the Commission amend Rule 25-4.0161, Florida Administrative Code, to increase the minimum regulatory assessment fees paid by telecommunications companies?

Recommendation: Yes.

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 recommendations were approved.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

ITEM NO.

CASE

4

Docket No. 060607-TP – Proposed adoption of Rule 25-4.0665, F.A.C., Lifeline Service.

Critical Date(s): None

Rule Status: Adoption

Commissioners Assigned: All Commissioners

Prehearing Officer: Deason

Staff: GCL: Cibula

CMP: Casey, Williams

ECR: Dickens

Issue 1: Should the Commission make changes to proposed Rule 25-4.0665, Florida Administrative Code, Lifeline Service, to address Cingular's comments?

Recommendation: No. The Commission should adopt proposed Rule 25-4.0665 without changes.

Issue 2: Should Rule 25-4.0665 be filed for adoption with the Secretary of State and the docket be closed?

Recommendation: Yes. If the Commission approves staff's recommendation in Issue 1, the rule may be filed with the Secretary of State and the docket should be closed.

DECISION: The recommendations were approved.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

ITEM NO.

CASE

5

Docket No. 060172-EU – Proposed rules governing placement of new electric distribution facilities underground, and conversion of existing overhead distribution facilities to underground facilities, to address effects of extreme weather events.

Docket No. 060173-EU – Proposed amendments to rules regarding overhead electric facilities to allow more stringent construction standards than required by National Electric Safety Code.

Critical Date(s): None

Rule Status: Adoption

Commissioners Assigned: All Commissioners

Prehearing Officer: Arriaga

Staff: GCL: Harris, Moore

ECR: Breman, Daniel, Hewitt, Kummer, Trapp

RCA: Velazquez, Mills

Issue 1: Should the Commission adopt Rule 25-6.034, Florida Administrative Code, Standards of Construction, as proposed with changes?

Recommendation: Yes.

DECISION: The recommendation was approved.

Issue 2: Should the Commission adopt Rule 25-6.0341, Florida Administrative Code, Location of the Utility's Electric Distribution Facilities, as proposed, with changes?

Recommendation: Yes.

DECISION: The recommendation was approved.

Issue 3: Should the Commission adopt Rule 25-6.0342, Florida Administrative Code, Electric Infrastructure Storm Hardening, as proposed, with changes?

Recommendation: Yes.

DECISION: The recommendation was approved with the modification to 25-6.0342(5) made by staff, and with the addition of language suggested by Mr. Gross to 25-6.0342(6): Any third-party attacher that wishes to provide input under this subsection shall provide the utility contact information for the person designated to receive communications from the utility.

ITEM NO.

CASE

5

Docket No. 060172-EU – Proposed rules governing placement of new electric distribution facilities underground, and conversion of existing overhead distribution facilities to underground facilities, to address effects of extreme weather events.

Docket No. 060173-EU – Proposed amendments to rules regarding overhead electric facilities to allow more stringent construction standards than required by National Electric Safety Code.

(Continued from previous page)

Issue 4: Should the Commission adopt Rule 25-6.0345, Florida Administrative Code, Safety Standards for Construction of New Transmission and Distribution Facilities, as proposed, with changes?

Recommendation: Yes.

DECISION: The recommendation was approved.

Issue 5: Should the Commission adopt Rule 25-6.064, Florida Administrative Code, Extension of Facilities, as proposed, with one change?

Recommendation: Yes.

DECISION: The recommendation was approved.

Issue 6: Should the Commission adopt Rule 25-6.078, Florida Administrative Code, Schedule of Charges, as proposed, with one change?

Recommendation: Yes.

DECISION: The recommendation was approved.

Issue 7: Should the Commission adopt Rule 25-6.115, Florida Administrative Code, Facility Charges for Conversion of Existing Overhead Investor-Owned Distribution Facilities, as proposed, with one change?

Recommendation: Yes.

DECISION: The recommendation was approved.

ITEM NO.

CASE

5

Docket No. 060172-EU – Proposed rules governing placement of new electric distribution facilities underground, and conversion of existing overhead distribution facilities to underground facilities, to address effects of extreme weather events.

Docket No. 060173-EU – Proposed amendments to rules regarding overhead electric facilities to allow more stringent construction standards than required by National Electric Safety Code.

(Continued from previous page)

Issue 8: Should the Commission grant Trevor G. Underwood’s Motion to Establish a New Docket?

Recommendation: No.

DECISION: The recommendation was approved.

Issue 9: Should the rules as approved by the Commission be filed for adoption with the Secretary of State and Docket Nos. 060172-EU and 060173-EU be closed?

Recommendation: Yes. The rules should be filed for adoption once the rule challenge filed at the Division of Administrative Hearings has been resolved.

DECISION: The recommendation was approved.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

ITEM NO.

CASE

6**PAA

Docket No. 060745-EI – Complaint of Danielle Dobbs against Progress Energy Florida, Inc. and request for reconfiguration of overhead distribution facilities to serve Dommerich Hills neighborhood in Maitland.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: GCL: Brown

ECR: Clapp, Kummer

RCA: Plescow

Issue 1: Should the Commission dismiss Mrs. Dobbs' complaint against Progress Energy?

Recommendation: Yes. Progress Energy Florida, Inc. complied with all regulatory statutes and Commission rules and policies when it reconfigured its electrical distribution system in Mrs. Dobbs' neighborhood to accommodate the transfer to the City of Winter Park. Accordingly, complaint #663875E should be dismissed.

Issue 2: Should this docket be closed?

Recommendation: Yes. If no person whose substantial interests are substantially affected files a timely protest of the Commission's Proposed Agency Action Order, this docket should be closed upon the issuance of a consummating order.

DECISION: The recommendations were approved.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

ITEM NO.

CASE

7**PAA

Docket No. 060663-TP – Implementation of 811 NXX code as national abbreviated dialing code to be used by state One Call notification systems for providing advance notice of excavation activities to underground facility operators in compliance with Pipeline Safety Improvement Act of 2002.

Critical Date(s): 4/13/07 (Date of federal mandate to implement the 811 NXX Code.)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: CMP: Beard, Casey

GCL: Fudge, Teitzman

Issue 1: Should ILECs and CLECs be ordered to make their switches available and operational to allow the 811 code to be used by customers to notify Sunshine State One Call of Florida of excavations? If so, as of what date?

Recommendation: Yes. Staff recommends that the Commission order ILECs and CLECs to make their switches available and operational by ~~February 15, 2007~~ March 15, 2007, to allow the 811 code to be used by customers to notify Sunshine State One Call of Florida of excavations. Staff also recommends that the Commission order ILECs and CLECs to cease using 811 for commercial services by February 14, 2007, and file tariffs, price lists or notification reflecting the implementation of 811 with the PSC by ~~February 15, 2007~~ March 15, 2007.

DECISION: The recommendation was approved as modified.

Issue 2: Should the Commission order all payphone providers in Florida to implement 811 access to be used by customers to notify Sunshine State One Call of Florida of excavations from all Florida payphones? If so, as of what date?

Recommendation: Yes. The Commission should order all payphone providers in Florida to implement 811 access to be used by customers to notify SSOCOF of excavations from all Florida payphones. Payphone providers should be ordered to have 811 access available by February 15, 2007, and allow 811 to be forwarded as dialed to the local exchange company to provide 811 access for use by customers to notify SSOCOF.

DECISION: The recommendation was approved.

ITEM NO.

CASE

7**PAA

Docket No. 060663-TP – Implementation of 811 NXX code as national abbreviated dialing code to be used by state One Call notification systems for providing advance notice of excavation activities to underground facility operators in compliance with Pipeline Safety Improvement Act of 2002.

(Continued from previous page)

Issue 3: 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 upon the issuance of a consummating order.

DECISION: The recommendation was approved.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

ITEM NO.

CASE

8**PAA

Docket No. 060571-TL – Petition to change demarcation point specified in Rule 25-4.0345(1)(b), F.A.C., at commercial office building in Boca Raton, by BellSouth Telecommunications, Inc.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: CMP: Buys

GCL: Tan

Issue 1: Should the Commission approve the petition by BellSouth Telecommunications, Inc. to change the location of the demarcation point specified in Rule 25-4.0345(1)(b), Florida Administrative Code, for the provision of non-residential basic local service at the commercial office building located at 1601 Clint Moore Road in Boca Raton, Florida?

Recommendation: Yes. The Commission should approve the relocation of the demarcation point for the provision of non-residential basic local service to the commercial office building located at 1601 Clint Moore Road in Boca Raton, Florida, to a single point of demarcation as determined by the property owner for all tenants' services at the office building.

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. As provided by Section 120.80(13)(b), Florida Statutes, any issues not in dispute should be deemed stipulated. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order.

DECISION: The recommendations were approved.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

ITEM NO.

CASE

9**PAA

Docket No. 060725-TP – Joint Petition by Acceris Management and Acquisition, LLC d/b/a Acceris Communications d/b/a WorldxChange (TK011) and Cognigen Networks, Inc. (TJ917) for approval to acquire assets and request for expedited approval in connection with transfer of telecommunications customer base from Cognigen Networks, Inc. to Acceris Management and Acquisition, LLC d/b/a Acceris Communications d/b/a WorldxChange, and request for waiver of carrier selection requirements of Rule 25-4.118, F.A.C.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: CMP: Watts
GCL: Fudge

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 transfer of Cognigen Networks, Inc.'s customers to Acceris Management and Acquisition LLC?

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 upon the issuance of a consummating order.

DECISION: The recommendations were approved.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

ITEM NO.

CASE

10**PAA

Docket No. 060734-GU – Petition for authority to use deferral accounting for creation of a regulatory asset or regulatory liability to record charges or credits that would have otherwise been recorded in equity pursuant to balance sheet treatment required by Statement of Financial Accounting Standards (SFAS) No. 158, by Peoples Gas System.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECR: Slemkewicz, Kyle

GCL: Brown

Issue 1: Should the Commission authorize Peoples Gas System to use deferral accounting to create a regulatory asset or liability to recognize and offset the balance sheet treatment for pension and other postretirement benefit costs the Company must record in accordance with Statement of Financial Accounting Standards (FAS) 158?

Recommendation: Yes. The Commission should authorize Peoples Gas System to use deferral accounting to create a regulatory asset or liability to recognize and offset the balance sheet treatment for pension and other postretirement benefit costs the Company must record in accordance with Statement of Financial Accounting Standards (FAS) 158. Further, the Commission should find that the approval to record the regulatory asset or liability for accounting purposes does not limit the Commission's ability to review the amounts for reasonableness in future rate proceedings.

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 of the Order, this docket should be closed upon the issuance of a Consummating Order.

DECISION: The recommendations were approved.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

ITEM NO.

CASE

11**PAA

Docket No. 060674-EI – Petition for authority to use deferral accounting for creation of a regulatory asset in regulatory liability to record charges or credits that would have otherwise been recorded in equity pursuant to balance sheet treatment required by Statement of Financial Accounting Standards (SFAS) No. 158, by Progress Energy Florida, Inc.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECR: Slemkewicz, Kyle

GCL: Brown

Issue 1: Should the Commission authorize Progress Energy Florida, Inc. to use deferral accounting to create a regulatory asset or liability to recognize and offset the balance sheet treatment for pension and other postretirement benefit costs the Company must record in accordance with Statement of Financial Accounting Standards (FAS) 158?

Recommendation: Yes. The Commission should authorize Progress Energy Florida, Inc. to use deferral accounting to create a regulatory asset or liability to recognize and offset the balance sheet treatment for pension and other postretirement benefit costs the Company must record in accordance with Statement of Financial Accounting Standards (FAS) 158. Further, the Commission should find that the approval to record the regulatory asset or liability for accounting purposes does not limit the Commission's ability to review the amounts for reasonableness in future rate proceedings.

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 of the Order, this docket should be closed upon the issuance of a Consummating Order.

DECISION: The recommendations were approved.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

ITEM NO.

CASE

12**PAA

Docket No. 060733-EI – Petition for authority to use deferral accounting for creation of a regulatory asset or regulatory liability to record charges or credits that would have otherwise been recorded in equity pursuant to balance sheet treatment required by Statement of Financial Accounting Standards (SFAS) No. 158, by Tampa Electric Company.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECR: Slemkewicz, Kyle

GCL: Brown

Issue 1: Should the Commission authorize Tampa Electric Company to use deferral accounting to create a regulatory asset or liability to recognize and offset the balance sheet treatment for pension and other postretirement benefit costs the Company must record in accordance with Statement of Financial Accounting Standards (FAS) 158?

Recommendation: Yes. The Commission should authorize Tampa Electric Company to use deferral accounting to create a regulatory asset or liability to recognize and offset the balance sheet treatment for pension and other postretirement benefit costs the Company must record in accordance with Statement of Financial Accounting Standards (FAS) 158. Further, the Commission should find that the approval to record the regulatory asset or liability for accounting purposes does not limit the Commission's ability to review the amounts for reasonableness in future rate proceedings.

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 of the Order, this docket should be closed upon the issuance of a Consummating Order.

DECISION: The recommendations were approved.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

ITEM NO.

CASE

13**

Docket No. 060678-EG – Petition for approval to make renewable energy pilot program (f/k/a green energy rate rider) permanent, by Tampa Electric Company.

Critical Date(s): 12/11/06 (60-day suspension date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECR: Brown, Baxter, Harlow, Slemkewicz

GCL: Fleming

Issue 1: Should Tampa Electric Company's (TECO's) petition to make its pilot Green Energy Rate Rider Program permanent be approved?

Recommendation: Yes. TECO's pilot Green Energy Rate Rider Program has shown that under reasonable assumptions, it can be a self-sustaining program. TECO's Green Energy Rate Rider Program should be permanently referred to as the Renewable Energy Program effective January 1, 2007. Customers will be able to purchase blocks of 200 kWh of renewable energy for \$5.00 per block in addition to the customer's applicable tariff rates. Finally, TECO should not be allowed to establish a regulatory liability for recording the deferral of program revenues in excess of program expenses. However, Account 253, Other Deferred Credits, includes amounts which cannot be entirely cleared or disposed of until additional information has been received. Staff believes that Account 253 is the appropriate account to be utilized for recording the deferral of program revenues in excess of program expenses.

Issue 2: Should this docket be closed?

Recommendation: Yes. If Issue 1 is approved, this tariff should become effective on January 1, 2007. If a protest is filed within 21 days of the issuance of the order, this tariff should remain in effect with any increase held subject to refund pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order.

DECISION: The recommendations were approved.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

ITEM NO.

CASE

14**

Docket No. 060480-EI – Petition by Progress Energy Florida, Inc. for approval of modification and extension of experimental Premier Power Service Rider, Rate Schedule PPS-1, and for approval of revised Premier Power Service Contract.

Critical Date(s): 2/26/07 (8-month effective date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECR: Baxter

GCL: Brown

Issue 1: Should the Commission approve Progress Energy Florida, Inc.'s proposed modifications and revisions to its Premier Power Service Rider (PPS-1) tariff?

Recommendation: Yes.

Issue 2: Should this docket be closed?

Recommendation: Yes. If Issue 1 is approved, this tariff should become effective on December 5, 2006. If a protest is filed within 21 days of the issuance of the order, the tariff should remain in effect with any increase held subject to refund pending resolution of the protest. If no timely protest is filed, this docket should be closed upon issuance of a consummating order.

DECISION: The recommendations were approved.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

ITEM NO.

CASE

15**

Docket No. 060628-WS – Application for quick-take amendment of Certificates 611-W and 527-S for new territory in Charlotte County, by MSM Utilities, LLC.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Deason

Staff: ECR: Rieger
GCL: Gervasi

Issue 1: Should the Commission approve MSM's "Quick Take" application to amend Certificates 611-W and 527-S?

Recommendation: Yes. The Commission should approve MSM's amendment application to expand its territory. The proposed territory amendment is described in Attachment A of staff's November 21, 2006 memorandum. The resultant order should serve as MSM's amended certificate and it should be retained by the utility. MSM should charge the customers in the added territory the rates and charges contained in its tariff until it is authorized by the Commission to change them in a subsequent proceeding.

Issue 2: Should this docket be closed?

Recommendation: Yes. No further action is required and the docket should be closed.

DECISION: The recommendations were approved.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew