

MINUTES OF July 26, 2011
COMMISSION CONFERENCE
COMMENCED: 9:30 am
RECESSED: 11:41 am
RECONVENED: 11:48 am
ADJOURNED: 11:59 am

COMMISSIONERS PARTICIPATING: Chairman Graham
Commissioner Edgar
Commissioner Brisé
Commissioner Balbis
Commissioner Brown

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

1 **Approval of Minutes**
 May 24, 2011 Regular Commission Conference
 June 14, 2011 Regular Commission Conference

DECISION: The minutes were approved.

Commissioners participating: Graham, Edgar, Brisé, Balbis, Brown

ITEM NO. **CASE**

2** **Consent Agenda**

PAA A) Application for Certificate to Provide Pay Telephone Service.

<u>DOCKET NO.</u>	<u>COMPANY NAME</u>
110128-TC	National Phone & Communication Services

PAA B) Applications for Certificates to Provide Competitive Local Exchange Telecommunications Service.

<u>DOCKET NO.</u>	<u>COMPANY NAME</u>
100427-TX	WonderLink Communications, LLC
110066-TX	Legacy Global Telecom

PAA C) Request for Cancellation of a Competitive Local Exchange Telecommunications Certificate.

<u>DOCKET NO.</u>	<u>COMPANY NAME</u>	<u>EFFECTIVE DATE</u>
110096-TX	SBC Long Distance, LLC d/b/a SBC Long Distance d/b/a AT&T Long Distance	4/05/2011

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

DECISION: The recommendation was approved.

Commissioners participating: Graham, Edgar, Brisé, Balbis, Brown

ITEM NO.

CASE

3

Docket No. 110085-EI – Petition for Declaratory Statement by Mediterranean Manors, Inc., regarding applicability of Progress Energy tariff provisions.

Critical Date(s): 07/28/11 (Final order must be issued by this date, pursuant to Section 120.565(3), Florida Statutes)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: GCL: Cowdery

ECR: Draper, Kummer

(Participation is at the Discretion of the Commission.)

Issue 1: Should Mediterranean Manors' Amended Petition for Declaratory Statement be granted?

Recommendation: The Commission should grant in part Mediterranean Manors' Amended Petition and issue a declaratory statement regarding the applicability of Progress' Tariff to Mediterranean Manors' particular set of circumstances. The Commission should deny the Amended Petition to the extent that it requests a determination of the conduct of Progress. The Commission should declare that, based on the facts set forth in the Amended Petition as applied to Progress' Tariff: (a) Mediterranean Manors is a multi-occupancy residential building and therefore Section 11.06 of Progress Tariff Sheet No. 4.166 is the applicable tariff; (b) the appropriate point of delivery with respect to Mediterranean Manors' buildings is the utility designated point of delivery, which is the transformer; (c) Mediterranean Manors is responsible for maintenance of the underground electrical cables running from the pad-mount transformer to its service entrance; and (d) the issue of whether Mediterranean Manors had the right to receive notice that Progress would no longer be responsible for cable maintenance is moot, based on staff's recommendation on Question (c), and, furthermore, Mediterranean Manors has not identified any tariff provision which would give it a right to receive such notice.

Issue 2: Should this docket be closed?

Recommendation: Yes, the docket should be closed.

DECISION: The recommendations were approved.

Commissioners participating: Graham, Edgar, Brisé, Balbis, Brown

ITEM NO.

CASE

4**

Docket No. 110209-TP – Repeal of rules resulting from changes to Chapter 364, Florida Statutes.

Rule Status: Proposed

Commissioners Assigned: All Commissioners

Prehearing Officer: Brown

Staff: GCL: Miller

ECR: McNulty

RAD: Salak, Kennedy

Issue 1: Should the Commission propose the repeal of Rules 25-4.0185, 25-4.022, 25-4.023, 25-4.0345, 25-4.036, 25-4.038, 25-4.040, 25-4.041, 25-4.066, 25-4.070, 25-4.071, 25-4.072, 25-4.073, 25-4.074, 25-4.078, 25-4.079, 25-4.081, 25-4.084, 25-4.085, 25-4.088, 25-4.089, 25-4.090, 25-4.091, 25-4.092, 25-4.093, 25-4.094, 25-4.095, 25-4.096, 25-4.097, 25-4.107, 25-4.109, 25-4.110, 25-4.111, 25-4.114, 25-4.115, 25-4.117, 25-4.202, 25-4.210, 25-24.455, 25-24.465, 25-24.470, 25-24.474, 25-24.475, 25-24.480, 25-24.485, 25-24.490, 25-24.516, 25-24.575, 25-24.580, 25-24.600, 25-24.610, 25-24.620, 25-24.630, 25-24.640, 25-24.721, 25-24.740, 25-24.747, 25-24.830, 25-24.840, 25-24.900, 25-24.905, 25-24.910, 25-24.915, 25-24.920, 25-24.925, and 25-24.935, F.A.C.?

Recommendation: Yes, the Commission should propose the repeal of these rules as set forth in Attachment A of staff's memorandum dated July 14, 2011.

Issue 2: Should this docket be closed?

Recommendation: Yes.

DECISION: The recommendations were approved.

Commissioners participating: Graham, Edgar, Brisé, Balbis, Brown

ITEM NO.

CASE

5**PAA

Docket No. 100160-EG – Petition for approval of demand-side management plan of Progress Energy Florida, Inc. (Deferred from the May 24, 2011 Commission Conference.)

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: RAD: Lewis, Brown, Clemence, Ellis, Garl, Gilbert, Harlow

GCL: Harris, Tan

Issue 1: Should the Commission approve the Compliance Plan filed by PEF on November 29, 2010?

Recommendation: No. The Commission should not approve the Compliance Plan because it is estimated to have an undue rate impact through the Energy Conservation Cost Recovery (ECCR) clause.

DECISION: The recommendation was approved with the modification that Progress will amend its DSM plan to match the plan currently in place, including the solar rebate program previously approved the Commission. If they do not meet those goals, there is no financial penalty for the band in between the current goals that their DSM plan meets and the revised goals from 2009.

Issue 2: Should the Commission approve the Rate Mitigation Plan filed by PEF on November 29, 2010?

Recommendation: Yes. The Commission should approve the Rate Mitigation Plan with the clarification that approval does not constitute a revision of the goals the Commission previously set for PEF in Order No. PSC-10-0198-FOF-EG. While the Rate Mitigation Plan is not projected to meet all the numeric conservation goals set by the Commission, the reduction in rate impact compared to the Compliance Plan is considerable. PEF should strive to meet the original goals set by the Commission through the implementation of the programs described in staff's memorandum dated May 12, 2011 and through education and diligent monitoring and analysis of program participation and results on an ongoing basis. Pursuant to Section 366.82(8), F.S., PEF may be eligible for a financial reward should it exceed the Commission's established goals. However, for purposes of determining financial penalties, PEF's achievements should be evaluated against the demand and energy savings projections contained in the Rate Mitigation Plan. Commission approval of PEF's Rate Mitigation Plan will allow PEF to file for cost recovery. However, PEF must still demonstrate, during the Energy Conservation Cost Recovery clause proceeding, that expenditures in implementing its DSM programs are reasonable and prudent. PEF should be required to file program standards for administrative approval within 30 days of the Consummating Order in this docket.

ITEM NO.

CASE

5**PAA

Docket No. 100160-EG – Petition for approval of demand-side management plan of Progress Energy Florida, Inc. (Deferred from the May 24, 2011 Commission Conference.)

(Continued from previous page)

DECISION: The recommendation was denied.

Issue 3: Should this docket be closed?

Recommendation: Yes. If no person whose substantial interests are affected by the proposed agency action issue files a protest within 21 days of the issuance of the Order, a Consummating Order will be issued. If the Commission approves any programs, the programs should become effective on the date of the Consummating Order. If a protest is filed within 21 days of the issuance of the Order, the programs should not be implemented until after the resolution of the protest. However, the docket should remain open for staff's verification that the program standards have been filed by the Utility and approved by staff. When the PAA issues are final and the program standards have been approved, this docket may be closed administratively.

DECISION: The recommendation was approved.

Commissioners participating: Graham, Edgar, Brisé, Balbis, Brown

ITEM NO.

CASE

6**PAA

Docket No. 100155-EG – Petition for approval of demand-side management plan of Florida Power & Light Company. (Deferred from the May 24, 2011 Commission Conference.)

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: RAD: Garl, Brown, Harlow, Lewis

GCL: Harris

Issue 1: Does FPL's Modified Demand-Side Management Plan satisfy the Company's numeric conservation goals set by the Commission in Order No. PSC-09-0855-FOF-EG?

Recommendation: Yes. The Commission should approve FPL's Modified Plan because it is projected to achieve all goals, is cost-effective, and it does not create an undue rate impact. As such, there is no need to consider the Alternate Plan which fails to meet most goals. FPL should file its program standards for all its programs within 30 days of the Commission's Order in this docket.

DECISION: The recommendation was approved with the modification that FPL will amend its DSM plan to match the plan currently in place, including the solar pilot programs. If they do not meet those goals, there is no financial penalty for the band in between the current goals that their DSM plan meets and the revised goals from 2009.

Issue 2: Should this docket be closed?

Recommendation: Yes. If no person whose substantial interests are affected by the proposed agency action issue files a protest within 21 days of the issuance of the Order, a Consummating Order will be issued. If the Commission approves any programs, the programs should become effective on the date of the Consummating Order. If a protest is filed within 21 days of the issuance of the Order, the programs should not be implemented until after the resolution of the protest. However, the docket should remain open for staff's verification that the program standards have been filed by the Utility and approved by staff. When the PAA issues are final and the program standards have been approved, this docket may be closed administratively.

DECISION: The recommendation was approved.

Commissioners participating: Graham, Edgar, Brisé, Balbis, Brown

ITEM NO.

CASE

7**PAA

Docket No. 090426-TX – Petition for designation as eligible telecommunications carrier (ETC) by Absolute Home Phones, Inc.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Edgar

Staff: RAD: Beard

GCL: Teitzman

Issue 1: Should Absolute be granted landline-only ETC status in the State of Florida?

Recommendation: Yes. Staff recommends that Absolute be granted landline-only ETC designation in the AT&T wire centers listed in Attachment B of staff's memorandum dated July 14, 2011, for the sole purpose of offering Lifeline discounts to qualifying consumers in Florida.

Issue 2: Should this docket be closed?

Recommendation: Yes. If no person whose substantial interests are affected files a protest to the Commission's Proposed Agency Action within 21 days of the issuance of the Commission Order, this docket should be closed upon issuance of a Consummating Order.

DECISION: The recommendations were approved.

Commissioners participating: Graham, Edgar, Brisé, Balbis, Brown

ITEM NO.

CASE

8**

Docket No. 110134-TL – 2010 State Annual certification of rural telecommunications carriers pursuant to 47 C.F.R. Section 54.314, High Cost Universal Service.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Brisé

Staff: RAD: Polk

GCL: Robinson

Issue 1: Should the Florida Public Service Commission (FPSC or Commission) certify to the FCC and to the USAC that for the year 2012 Windstream Florida, Inc., Frontier Communications of the South, LLC, GTC, Inc. d/b/a FairPoint Communications, ITS Telecommunications Systems, Inc., Northeast Florida Telephone Company d/b/a NEFCOM, Quincy Telephone Company d/b/a TDS Telecom/Quincy Telephone, Smart City Telecommunications, LLC d/b/a Smart City Telecom, and T-Mobile USA, Inc., will only use the federal high-cost support they receive for the provision, maintenance, and upgrading of facilities and services for which the support is intended?

Recommendation: Yes.

Issue 2: Should this docket be closed?

Recommendation: Yes. This docket should be closed and subsequent annual certifications of rural telephone companies should be addressed in a new docket.

DECISION: The recommendations were approved.

Commissioners participating: Graham, Edgar, Brisé, Balbis, Brown

ITEM NO.

CASE

9**

Docket No. 110204-TL – Notice of termination of service guarantee program by Embarq Florida, Inc. d/b/a CenturyLink.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: RAD: Kennedy

GCL: Teitzman

Issue 1: Should the Commission acknowledge Embarq Florida, Inc. d/b/a CenturyLink's Notice of Termination of Service Guarantee Program, effective July 1, 2011?

Recommendation: Yes, the Commission should acknowledge Embarq Florida, Inc. d/b/a CenturyLink's Notice of Termination of Service Guarantee Program, effective July 1, 2011.

Issue 2: Should this docket be closed?

Recommendation: Yes, this docket should be closed upon issuance of the final order.

DECISION: The recommendations were approved.

Commissioners participating: Graham, Edgar, Brisé, Balbis, Brown

ITEM NO.

CASE

10**PAA

Docket No. 100359-WS – Application for staff-assisted rate case in Volusia County by Tymber Creek Utilities, Incorporated.

Critical Date(s): 01/19/12 (15-Month Effective Date (SARC))

Commissioners Assigned: All Commissioners

Prehearing Officer: Brisé

Staff: ECR: Smith, Bruce, Fletcher, Hudson, Maurey, Simpson
GCL: Harris

(Proposed Agency Action Except For Issues 12, 13, and 14.)

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

Recommendation: Yes. The quality of service for the Utility is satisfactory.

Issue 2: What are the used and useful percentages for Tymber Creek?

Recommendation: The water distribution system, the wastewater treatment plant, and the wastewater collection system should be considered 100 percent used and useful. A 2 percent adjustment should be made to purchased water to reflect excessive unaccounted for water in the distribution system.

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

Recommendation: The appropriate average test year rate base for Tymber Creek is \$72,440 for water and \$188,278 for wastewater.

Issue 4: What is the appropriate rate of return on equity and overall rate of return for Tymber Creek?

Recommendation: The appropriate return on equity (ROE) is 9.27 percent with a range of 8.27 percent to 10.27 percent. The appropriate overall rate of return is 7.77 percent.

Issue 5: What is the appropriate amount of test year revenue in this case?

Recommendation: The appropriate test year revenue for this Utility is \$113,580 for water and \$196,667 for wastewater.

Issue 6: What is the appropriate amount of operating expense?

Recommendation: The appropriate amount of operating expense for Tymber Creek is \$137,487 for water and \$232,057 for wastewater.

Issue 7: What is the appropriate revenue requirement?

Recommendation: The appropriate revenue requirement is \$143,115 for water and \$246,687 for wastewater.

ITEM NO.

CASE

10**PAA

Docket No. 100359-WS – Application for staff-assisted rate case in Volusia County by Tymber Creek Utilities, Incorporated.

(Continued from previous page)

Issue 8: What is the appropriate rate structure for Tymber Creek?

Recommendation: The appropriate rate structure for the water system's residential class is a three-tier inclining block rate structure. Staff's preliminary rate design called for a two-tier rate structure with usage blocks of 0-10 kgals in the first usage block and all usage in excess of 10 kgals in the second usage block. As discussed in Issue 9, staff did not apply a repression adjustment to non-discretionary usage. As a result, an additional tier is necessary for non-discretionary usage below 6 kgal per month. This results in a three-tier rate structure for monthly consumption with usage blocks of: a) 0-6 kgal; b) 6-10 kgal; and c) all usage in excess of 10 kgals and usage block rate factors of .87, 1.0, and 1.5 respectively. The appropriate rate structure for the water system's non-residential class is a continuation of its BFC/uniform gallonage charge rate structure. The BFC cost recovery percentage for the water system should be set at 35 percent. Furthermore, the appropriate rate structure for the wastewater residential class and non-residential class is a continuation of the traditional BFC/gallonage charge rate structure. The BFC cost recovery percentage for the wastewater system should be set at 50 percent.

Issue 9: Is a repression adjustment appropriate in this case?

Recommendation: Yes, a repression adjustment is appropriate for this Utility. Test year residential kgals sold for water should be reduced by 4.6 percent, resulting in a consumption reduction of 1,115 kgals. Purchased water expense should be reduced by \$2,945 and regulatory assessment fees (RAFs) should be reduced by \$139. The final post-repression revenue requirement for the water system should be \$140,031. For the wastewater system, test year kgals sold should be reduced by 5.4 percent, resulting in a consumption reduction of 1,064 kgals. Sludge removal expense should be reduced by \$1,956, purchased power should be reduced by \$809, and RAFs should be reduced by \$124. The final post-repression revenue requirement for the wastewater system should be \$243,797.

In order to monitor the effect of the changes to rate structure and rate changes, 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, usage block, and meter size. The reports should be filed with staff, on a semi-annual 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.

ITEM NO.

CASE

10**PAA

Docket No. 100359-WS – Application for staff-assisted rate case in Volusia County by Tymber Creek Utilities, Incorporated.

(Continued from previous page)

Issue 10: What are the appropriate rates for Tymber Creek?

Recommendation: The appropriate monthly water and wastewater rates are shown on Schedule Nos. 4-A and 4-B of staff’s memorandum dated July 14, 2011, respectively. The recommended rates should be designed to produce revenue \$140,031 for water and \$243,797 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. The Utility should provide proof of the date notice was given no less than 10 days after the date of the notice.

Issue 11: Should the Commission approve the Phase II revenue requirement associated with pro forma wastewater plant and expenses for Tymber Creek, and if so, what is the appropriate return on equity, overall rate of return, revenue requirement and when should the resulting rates be implemented?

Recommendation: Yes. The Commission should approve a Phase II revenue requirement associated with pro forma wastewater plant and expense items. The appropriate return on equity should be 9.27 percent with a range of 8.27 to 10.27 percent. The appropriate overall rate of return is 7.77 percent. The Utility’s Phase II revenue requirement remains unchanged for water and should be \$297,116 for wastewater, which equates to an increase of 20.44 percent over the Phase I wastewater revenue requirement of \$246,687. Tymber Creek should complete the pro forma plant and expense items within 12 months of the issuance of the instant docket’s consummating order. The Utility should be allowed to implement the resulting rates once the pro forma items have been completed and documentation provided showing that all improvements have been made to the system.

The Utility should be required to submit a copy of the final invoices and cancelled checks for all pro forma plant and expense items. Once verified, the rates should be effective for service rendered on or after the stamped approval date on the 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 and the notice has been received by the customers. Tymber Creek should provide proof of the date notice was given within 10 days after the date of the notice. The resulting rates are shown on Schedule No. 8 of staff’s memorandum dated July 14, 2011. If the Utility encounters any unforeseen events that will impede the completion of the pro forma items, the Utility should immediately notify the Commission.

ITEM NO.

CASE

10**PAA

Docket No. 100359-WS – Application for staff-assisted rate case in Volusia County by Tymber Creek Utilities, Incorporated.

(Continued from previous page)

Issue 12: What is the appropriate amount by which rates should be reduced four years after the published 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 Nos. 4-A and 4-B of staff's memorandum dated July 14, 2011, 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. Tymber Creek 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 the Utility 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.

Issue 13: 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 the Utility?

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 the Utility. Tymber Creek 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 temporary rates should not be implemented until staff has approved the proposed notice, and the notice has been received by the customers. 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 the Utility should be subject to the refund provisions discussed in the analysis portion of staff's memorandum dated July 14, 2011. 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.

ITEM NO.

CASE

10**PAA

Docket No. 100359-WS – Application for staff-assisted rate case in Volusia County by Tymber Creek Utilities, Incorporated.

(Continued from previous page)

Issue 14: Should the Utility be required to provide proof, within 90 days of an effective order finalizing this docket, that it has adjusted its books for all applicable National Association of Regulatory Commissioners Uniform System of Accounts (NARUC USOA) primary accounts associated with the Commission-approved adjustments?

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

Issue 15: 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 should 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. Also, the docket should remain open to allow staff to verify that the pro forma items have been completed and the Phase II rates properly implemented. Once these actions are complete, this docket should be closed administratively.

DECISION: The recommendations were approved with an oral modification to Issue 6 by staff at the Commission Conference to the staff analysis portion of staff’s memorandum dated July 14, 2011.

Commissioners participating: Graham, Edgar, Brisé, Balbis, Brown

ITEM NO.

CASE

11**

Docket No. 100330-WS – Application for increase in water/wastewater rates in Alachua, Brevard, DeSoto, Hardee, Highlands, Lake, Lee, Marion, Orange, Palm Beach, Pasco, Polk, Putnam, Seminole, Sumter, Volusia, and Washington Counties by Aqua Utilities Florida, Inc.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Brisé

Staff: ECR: Fletcher, Cicchetti, Maurey, Springer

GCL: Jaeger, Klancke

Issue 1: Should the Commission acknowledge the implementation of the proposed agency action rates by Aqua Utilities Florida, Inc.?

Recommendation: Yes. The Commission should acknowledge the Utility's implementation of the proposed agency action (PAA) rates on a temporary basis pending the outcome of this rate proceeding.

Issue 2: What is the appropriate security to guarantee the increased revenues collected under the temporary proposed agency action rates?

Recommendation: A corporate undertaking is an acceptable security contingent upon receipt of the written guarantee of the parent company, Aqua America, Inc. (AAI or Company), and written confirmation that AAI will not assume outstanding guarantees on behalf of AAI-owned utilities in other states in excess of \$10.8 million (inclusive of AUF). AAI should be required to file a corporate undertaking on behalf of its subsidiary to guarantee any potential refunds of revenues collected under temporary PAA rates. AAI's total guarantee should be a cumulative amount of \$2,763,278. Pursuant to Rule 25-30.360(6), F.A.C., the Utility should provide a report by the 20th of each month indicating the monthly and total revenue collected subject to refund. Should a refund be required, the refund should be with interest and undertaken in accordance with Rule 25-30.360, F.A.C.

Issue 3: Should this docket be closed?

Recommendation: No. This docket should remain open to complete the hearing process.

DECISION: The recommendations were approved.

Commissioners participating: Graham, Edgar, Brisé, Balbis, Brown

ITEM NO.

CASE

12**

Docket No. 110075-SU – Application for transfer of wastewater facilities in Highlands County from Highlands Utilities Corporation to Town of Lake Placid and cancellation of Certificate No. 361-S.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECR: Jones-Alexis, Davis, Kaproth

GCL: Klancke

Issue 1: Should the Commission acknowledge the transfer of HUC’s wastewater facilities and territory to the Town as a matter of right and cancel Certificate No. 361-S?

Recommendation: Yes. The Commission should acknowledge the transfer of HUC’s wastewater facilities and territory to the Town of Lake Placid as a matter of right, pursuant to Section 367.071(4)(a), F.S., and cancel Certificate No. 361-S effective October 5, 2010.

Issue 2: Should this docket be closed?

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

DECISION: The recommendations were approved.

Commissioners participating: Graham, Edgar, Brisé, Balbis, Brown

ITEM NO.

CASE

13**

Docket No. 110194-EI – Petition by Florida Power & Light Company for approval of amendment to economic development rider rate schedule and new existing facility economic development rider rate schedule.

Critical Date(s): 07/31/11 (60-Day Suspension Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECR: Draper

GCL: Norris

Issue 1: Should the Commission approve FPL's proposed amendments to its Economic Development Rider (EDR) rate schedule?

Recommendation: Yes, the Commission should approve FPL's proposed amendments to its EDR rate schedule.

Issue 2: Should the Commission approve FPL's proposed new Existing Facility Economic Development Rider (EFEDR) and associated service agreement?

Recommendation: Yes, the Commission should approve FPL's proposed new EFEDR and associated service agreement.

Issue 3: Should this docket be closed?

Recommendation: Yes. If Issues 1 and 2 are approved, the tariffs should become effective on July 26, 2011. If a protest is filed within 21 days of the issuance of the order, the tariffs should remain in effect, with any revenues 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. The threshold was adjusted from 500 kW to 350kW.

Commissioners participating: Graham, Edgar, Brisé, Balbis, Brown

