

MINUTES OF January 11, 2011
COMMISSION CONFERENCE
COMMENCED: 9:35 am
RECESSED: 10:55 am
RECONVENED: 1:15 pm
ADJOURNED: 3:20 pm

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
November 9, 2010 Regular Commission Conference

DECISION: The minutes were approved.

Commissioners participating: Graham, Edgar, Brisé

ITEM NO.

CASE

2**

Consent Agenda

PAA

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

| <u>DOCKET NO.</u> | <u>COMPANY NAME</u> | <u>EFFECTIVE DATE</u> |
|-------------------|---|-----------------------|
| 100448-TP | A.R.C. Networks, Inc. d/b/a InfoHighway | 12/31/2010 |

PAA

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

| <u>DOCKET NO.</u> | <u>COMPANY NAME</u> |
|-------------------|---|
| 100429-TX | Internet & Telephone, LLC |
| 100441-TX | Local Telecommunications Services - FL, 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: Graham, Edgar, Brisé, Balbis, Brown

ITEM NO.

CASE

3**PAA

Docket No. 100128-WU – Application for increase in water rates in Gulf County by Lighthouse Utilities Company, Inc.

Critical Date(s): 1/11/11 (Statutory deadlines for suspension of rates and request for rule waiver, waived until this date.)

Commissioners Assigned: All Commissioners

Prehearing Officer: Edgar

Staff: GCL: Young

ECR: Linn, Brown, Maurey

(Proposed Agency Action for Issue 2 only.)

Issue 1: Should the Utility's proposed final water rates be suspended?

Recommendation: Yes. Lighthouse's proposed final water rates should be suspended.

Issue 2: Should the Commission grant Lighthouse Utilities Company, Inc.'s petition for waiver of the amount of information to be included on some of the schedules as required in Rule 25-30.437, F.A.C.?

Recommendation: Yes, the Commission should grant Lighthouse Utilities Company, Inc.'s petition for waiver of the amount of information to be included on some of the schedules as required in Rule 25-30.437, F.A.C.

Issue 3: Should this docket be closed?

Recommendation: No. If no timely protest is received to the proposed agency action order on Issue 2, the Order granting the rule waiver will become final upon the issuance of a Consummating Order. Docket No. 100128-WU should remain open pending the Commission's final action on Lighthouse Utilities Company, Inc.'s application for increase in rates and charges for water service.

DECISION: The recommendations were approved.

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

ITEM NO.

CASE

4

Docket No. 100318-WS – Petition for order to show cause against Service Management Systems, Inc. in Brevard County for failure to properly operate and manage water and wastewater system.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Graham

Staff: GCL: A. Williams

ECR: J. Williams, Daniel

(Participation of Parties is at the Commission's Discretion.)

Issue 1: Should the Commission grant Aquarina Utility Association Inc.'s (Association) Request for Oral Argument?

Recommendation: No. The Commission should not grant the Association's Request for Oral Argument because the Commissioners would not benefit from oral argument on the Association's Motion for Reconsideration.

Issue 2: Should the Commission reconsider its decision to grant FL-Service Management LLC's (LLC) Motion to Dismiss Aquarina Utility Association Inc.'s (Association) Petition in Order No. PSC-10-0624-FOF-WS?

Recommendation: No. The Commission did not overlook or fail to consider a point of fact or law in rendering Order No. PSC-10-0624-FOF-WS; therefore, the Association's Motion for Reconsideration should be denied.

Issue 3: Should this docket be closed?

Recommendation: Yes. If the Commission approves Issue 2, this docket should be closed when the time for an appeal has run.

DECISION: This item was deferred to the January 25, 2011 Commission Conference.

Commissioners participating: Graham, Edgar, Brisé

ITEM NO.

CASE

5**PAA

Docket No. 100435-EG – Petition for approval of extending the small general service price responsive load management program pilot, by Tampa Electric Company.

Critical Date(s): Pilot program ends on January 14, 2011

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: RAD: Matthews

ECR: Draper, Higgins

GCL: Tan

Issue 1: Has TECO justified the additional expenses associated with the time extension for the Small General Service Price Responsive Load Management Pilot Program?

Recommendation: No. The almost six month delay in program implementation was due to TECO's own actions. TECO did not justify an increase over the \$286,000 cap approved by Order No. PSC-09-0501-TRF-EG. TECO should not be authorized to recover any additional expenses associated with this pilot program. If the Commission approves the staff recommendation then the GSVP-1 tariff expires on January 14, 2011, pursuant to Order No. PSC-09-0501-TRF-EG, and TECO should withdraw the tariff at that time.

Issue 2: Should this docket be closed?

Recommendation: Yes. If no person whose substantial interests are affected by the proposed 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: This item was withdrawn.

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 December 14, 2010 Commission Conference.)

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: RAD: Garl, Brown, Harlow, Lewis

GCL: Fleming, Saylor

Issue 1: Does FPL's proposed 2010 Demand-Side Management (DSM) Plan satisfy the Company's numeric conservation goals set by the Commission in Order No. PSC-09-0855-FOF-EG?

Recommendation: No. FPL's proposed DSM Plan fails to meet its residential goals in at least one category for eight years. Similarly, the Company's Plan does not meet all the annual commercial/industrial goals for eight years of the ten-year period. FPL's failure to meet its annual conservation goals may result in financial penalties or other appropriate action.

Consistent with Section 366.82(7), F.S., staff recommends that FPL file specific program modifications or additions that are needed for the 2010 DSM Plan to be in compliance with Order No. PSC-09-0855-FOF-EG within 30 days of the Commission's Order in this docket. The compliance filing should not include savings associated with FPL's solar pilot programs.

Issue 2: Are the programs contained in FPL's proposed 2010 DSM Plan cost-effective as this criterion is used in Commission Order No. PSC-09-0855-FOF-EG?

Recommendation: Yes. All programs in FPL's proposed 2010 DSM Plan pass the E-TRC and Participants tests. Audits, Pilot Programs, and Research & Development Programs are not included in this evaluation because they are not required to pass cost-effectiveness testing. FPL should be required to file program standards within 30 days of the Commission's Order in this docket.

The Commission should approve cost-effective programs to allow FPL to file for cost recovery. However, FPL must still demonstrate, during the cost recovery proceeding, that expenditures in executing its DSM Plan were reasonable and prudent. In addition, the Commission will evaluate FPL's compliance filing and make a final determination at that time regarding the cost-effectiveness of any modified or new programs.

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 December 14, 2010 Commission Conference.)

(Continued from previous page)

Issue 3: Does FPL’s proposed 2010 DSM Plan include pilot programs that encourage the development of solar water heating and solar PV technologies consistent with Commission Order No. PSC-09-0855-FOF-EG?

Recommendation: Yes. The cost of the proposed pilot programs is within the annual expenditure cap of \$15,536,870 specified by Commission Order No. PSC-09-0855-FOF-EG. However, the allocation of funds to: (1) solar thermal vs. solar PV, (2) private customers vs. public institutions, and (3) low-income residential varies widely among the investor-owned utilities. If the Commission desires to have more uniformity among the IOUs’ programs, then the Commission should initiate public workshops to explore that issue further.

Issue 4: Do any of the programs in FPL’s proposed Demand-Side Management Plan have an undue impact on the costs passed on to customers?

Recommendation: No. The proposed program costs are not undue because the increase in program costs correlates with the increase in goals. The Commission should evaluate the Company’s compliance filing and make a final determination in the ECCR proceedings regarding the appropriateness of incentive levels.

Issue 5: Should this docket be closed?

Recommendation: No. This docket should remain open for FPL to refile its demand-side management plan within 30 days from the date of this Order. In addition, 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.

DECISION: Staff’s memorandum to the Commissioners regarding Item 4A of the October 12, 2010 Commission Conference (and assigned document number 08404-10), was provided at the Commission conference for consistency of the vote and so noted in the comments section of the vote sheet. The recommendations were approved with the modification that Florida Power & Light Company was directed to provide information on the job creation for each measure of the overall program.

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

ITEM NO.

CASE

7

Docket No. 100009-EI – Nuclear cost recovery clause. (Deferred from the December 14, 2010 Commission Conference.)

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Edgar

Staff: ECR: Breman, Hinton, Laux, Maurey

GCL: Young, Bennett, Leveille, Williams

(Participation is Limited to Commissioners and Staff.)

Issue 3A: Does the Commission have the authority to require a “risk sharing” mechanism that would provide an incentive for a utility to complete a project within an appropriate, established cost threshold? If so, what action, if any, should the Commission take?

Recommendation: No. Section 366.93, F.S., expressly provides that a utility is entitled to recover all prudently incurred costs resulting from the construction of nuclear power plants. The statute does not set a dollar limit on the amount a utility can recover through the NCRC. Requiring a risk sharing mechanism exceeds the scope of the plain and expressed language and intent of the statute.

DECISION: The recommendations were approved.

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

ITEM NO.

CASE

8**

Docket No. 100405-EI – Application for authority to issue and sell securities during calendar year 2011 pursuant to Section 366.04, F.S., and Chapter 25-8, F.A.C., by Florida Power & Light Company. (Deferred from the December 14, 2010 Commission Conference.)

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECR: Davis, Cicchetti, Maurey, Springer

GCL: Fleming

Issue 1: Should the Commission approve FPL's request for authority to issue and sell and/or exchange any combination of the long-term debt and equity securities and/or assume liabilities or obligations as guarantor, endorser or surety in an aggregate amount not to exceed \$6.1 billion during calendar year 2011 and have outstanding the aggregate principal amount not to exceed \$4.0 billion of short-term securities during calendar years 2011 and 2012?

Recommendation: Yes. Staff notes that FPL has agreed to certain revisions to its original security application.

Issue 2: Should this docket be closed?

Recommendation: No.

DECISION: The recommendations were approved.

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

ITEM NO.

CASE

9**

Docket No. 080677-EI – Petition for increase in rates by Florida Power & Light Company.

Docket No. 090130-EI – 2009 depreciation and dismantlement study by Florida Power & Light Company. (Issues 2 and 3 deferred from the December 14, 2010 Commission Conference.)

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Graham

Staff: ECR: Slemkewicz, Cicchetti, Draper, P. Lee, Lester

GCL: Kiser, Helton, Bennett

Issue A: Was rendered moot at the December 14, 2010 Commission Conference.

Issue 1: Was approved at the December 14, 2010 Commission Conference.

Issue 2: Should the Commission grant Thomas Saporito's Petition for Base Rate Proceeding?

Recommendation: No. The Commission should not grant the Petition for Base Rate Proceeding. The petition does not meet the requirements of Rule 28-106.201, F.A.C., because it fails to allege any material issue of disputed facts.

Issue 3: Should these dockets be closed?

Recommendation: Yes. These dockets should be closed upon the expiration of the time for appeal.

DECISION: No vote was taken on Issues A and 1. The recommendations for Issues 2 and 3 were approved.

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

ITEM NO.

CASE

10**

Docket No. 100410-EI – Review of Florida Power & Light Company's earnings.
(Deferred from the Decemeber 14, 2010 Commission Conference.)

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECR: Slemkewicz, Maurey, Cicchetti, Springer, Willis
GCL: Bennett

Issue 1: Should the Commission initiate a review of Florida Power & Light Company's earnings?

Recommendation: Yes.

DECISION: The recommendation was denied.

Issue 2: Should the Commission order FPL to hold earnings, for the 12-month period ending March 31, 2011, in excess of the authorized 11.00 percent maximum of the ROE range subject to refund under bond or corporate undertaking?

Recommendation: Yes. The Commission should order FPL to hold earnings, for the 12-month period ending March 31, 2011, in excess of the authorized 11.00 percent maximum of the ROE range subject to refund under a corporate undertaking. .

DECISION: The recommendation was denied.

Issue 3: Should this docket be closed?

Recommendation: No. This docket should remain open until staff has reviewed FPL's historical earnings data for the year ending March 31, 2011, and the Commission has determined the amount and appropriate disposition of overearnings.

DECISION: The recommendation was denied. The docket is to be closed. Staff was directed to include in the final order language discussed at the Commission Conference.

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

ITEM NO.

CASE

11**PAA

Docket No. 100404-EI – Petition by Florida Power & Light Company to recover Scherer Unit 4 Turbine Upgrade costs through environmental cost recovery clause or fuel cost recovery clause. (Deferred from the December 14, 2010 Commission Conference.)

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Brisé

Staff: ECR: Wu, Franklin

GCL: Brown, Bennett, Saylor

Issue 1: Is FPL's Scherer Unit 4 steam turbine upgrade project eligible for cost recovery through the ECRC?

Recommendation: No. The project does not meet established criteria for cost recovery through the ECRC.

Issue 2: Is FPL's Scherer Unit 4 steam turbine upgrade project eligible for cost recovery through the Fuel Clause?

Recommendation: No. The project does not meet established criteria for recovery through the Fuel Clause.

Issue 3: Should this docket be closed?

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

DECISION: The recommendations were approved.

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

ITEM NO.

CASE

12**PAA

Docket No. 100266-EI – Review of 2010 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Florida Power & Light Company. (Deferred from the December 14, 2010 Commission Conference.)

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Brisé

Staff: ECR: L'Amoreaux, Dowds

GCL: Bennett

Issue 1: Should the Commission approve Florida Power & Light Company's (FPL) updated 2010-2012 storm hardening plan?

Recommendation: Yes, the Commission should approve FPL's updated storm hardening plan.

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: Graham, Edgar, Brisé, Balbis, Brown

ITEM NO.

CASE

13**PAA

Docket No. 100419-EI – Petition for approval of base rate increase for extended power uprate systems placed in commercial service, pursuant to Section 366.93(4), F.S., and Rules 25-6.0423(7) and 28-106.201, F.A.C., by Florida Power & Light Company. (Deferred from the December 14, 2010 Commission Conference.)

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Graham

Staff: ECR: Slemkewicz, Breman, Cicchetti, Draper, Laux, Springer

GCL: Young

Issue 1: Should FPL's request to increase its base rates by \$1,952,620 for the 2010 EPU project modifications at the St. Lucie and Turkey Point units be approved?

Recommendation: Yes. FPL's request to increase its base rates by \$1,952,620 for the 2010 EPU project modifications at the St. Lucie and Turkey Point units should be approved. This approval should be subject to true-up and revision based on the final review of the 2010 modification expenditures in Docket No. 100009-EI, Nuclear Cost Recovery Clause.

DECISION: The recommendation was approved.

Issue 2: Should FPL's request to increase its base rates by \$198,307 for the 5-year amortization of the EPU assets that are being retired during 2010 be approved?

Recommendation: Yes. FPL's request to increase its base rates by \$198,307 for the 5-year amortization of the EPU assets that are being retired during 2010 should be approved.

DECISION: The recommendation was approved.

Issue 3: Should FPL's request to increase its base rates by \$48,335 for a true-up of the 2010 base rate revenue requirement for the PSL2 turbine gantry crane be approved?

Recommendation: Yes. FPL's request to increase its base rates by \$48,335 for a true-up of the 2010 base rate revenue requirement for the PSL2 turbine gantry crane should be approved.

DECISION: The recommendation was approved.

ITEM NO.

CASE

13**PAA

Docket No. 100419-EI – Petition for approval of base rate increase for extended power uprate systems placed in commercial service, pursuant to Section 366.93(4), F.S., and Rules 25-6.0423(7) and 28-106.201, F.A.C., by Florida Power & Light Company. (Deferred from the December 14, 2010.)

(Continued from previous page)

Issue 4: What is the appropriate effective date of FPL’s revised base rates?

Recommendation: If the Commission approves the staff recommendation in Issues 1, 2, and 3, the revised base rates should be implemented with the first billing cycle ~~for 2011, which falls on January 3, 2011~~ 30 days after the Commission’s vote. Furthermore, FPL should file revised tariff sheets to implement the Commission vote in Issues 1, 2, and 3 for administrative approval by staff prior to their effective date.

DECISION: The recommendation was approved with noted modification made by staff at the Commission Conference.

Issue 5: 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 recommendation was approved.

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

ITEM NO.

CASE

14

Docket No. 090478-WS – Application for original certificates for proposed water and wastewater systems, in Hernando and Pasco Counties, and request for initial rates and charges, by Skyland Utilities, LLC. (Deferred from the December 14, 2010 Commission Conference.)

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Graham

Staff: ECR: Brady, Chase, Daniel, Williams

GCL: Klancke, Bennett

(Participation is Limited to Commissioners and Staff.)

Issue A: What is the appropriate disposition of the hearsay objections to Exhibits 2, 4, 14, 15, 40, and 45?

Recommendation: The hearsay objections to Exhibits 2, 4, 14, 15, 40, and 45 should be denied.

Issue 1: Has Skyland presented evidence sufficient to invoke the Commission's exclusive jurisdiction over Skyland's Application for original certificates for proposed water and wastewater systems?

Recommendation: Yes. Skyland has presented evidence sufficient to invoke the Commission's exclusive jurisdiction over Skyland's application, pursuant to Section 367.171(7), F.S.

Issue 1A: Did Skyland provide evidence to support that it satisfies the definition of "utility" contained in Section 367.021(12), Florida Statutes?

Recommendation: Yes. Skyland has provided evidence to support that it satisfies the definition of "utility" contained in Section 367.021(12), Florida Statutes.

Issue 1B: Did Skyland provide evidence to support that the service proposed by Skyland transverses county boundaries, pursuant to Section 367.171(7), Florida Statutes?

Recommendation: Yes. Staff believes that Skyland has provided evidence to support that the service proposed by Skyland transverses county boundaries, pursuant to Section 367.171(7), Florida Statutes.

Issue 2: Is there a need for service in Skyland's proposed service territory and, if so, when will service be required?

Recommendation: No. The preponderance of the evidence does not support an immediate need for service or when, or in what form, any future service would be required in the requested territory for which a Commission certificate would be required.

Issue 3: Is Skyland's application inconsistent with Hernando County's comprehensive plan?

Recommendation: Yes. Skyland's application appears to be inconsistent with the Hernando County Comprehensive Plan. However, in light of the evidence presented in this case, that inconsistency should not cause the Commission to deny the Application.

ITEM NO.

CASE

14

Docket No. 090478-WS – Application for original certificates for proposed water and wastewater systems, in Hernando and Pasco Counties, and request for initial rates and charges, by Skyland Utilities, LLC. (Deferred from the December 14, 2010 Commission Conference.)

(Continued from previous page)

Issue 4: Is Skyland's application inconsistent with Pasco County's comprehensive plan?

Recommendation: Yes. Skyland's application appears to be inconsistent with a number of provisions in the Pasco County Comprehensive Plan, most notably that which prohibits central water and wastewater services in the Northeast Pasco Rural Area, except under very limited circumstances.

Issue 5: Will the certification of Skyland result in the creation of a utility which will be in competition with, or duplication of, any other system, pursuant to Section 367.045(5)(a), F.S.?

Recommendation: No. The utility will not be in competition with, or duplication of, any other system.

Issue 6: Does Skyland have the financial ability to serve the requested territory?

Recommendation: Yes, Skyland has demonstrated the financial ability to serve the requested territory.

Issue 7: Does Skyland have the technical ability to serve the requested territory?

Recommendation: Yes. The utility has the existing and potential technical ability to serve all the needs of the requested territory.

Issue 8: Has Skyland provided evidence that it has continued use of the land upon which the Utility treatment facilities are or will be located?

Recommendation: No. The lease agreements provided in the Application do not provide sufficient evidence of continued use of the land upon which the Utility treatment facilities are or will be located, pursuant to Rule 25-30.033(1)(j), F.A.C. If certificates for the proposed water and wastewater systems are granted, the Utility should be required to file an executed and recorded copy of the deed, or executed copy of the lease, showing continued use of the land upon which the Utility water and wastewater treatment facilities are or will be located, within 30 days after the issuance of the order granting certificates.

Issue 9: Is it in the public interest for Skyland to be granted water and wastewater certificates for the territory proposed in its application?

Recommendation: No. The preponderance of the evidence indicates that granting Skyland's application is not in the public interest. However, if the Commission grants the application, Water Certificate No. 653-W and Wastewater Certificate No. 558-S should be issued to serve the territory described in Attachment A of staff's memorandum dated December 2, 2010. The resultant order should serve as Skyland's water and wastewater certificates and should be retained by the utility. The appropriate rates and charges are discussed in subsequent issues

ITEM NO.

CASE

14

Docket No. 090478-WS – Application for original certificates for proposed water and wastewater systems, in Hernando and Pasco Counties, and request for initial rates and charges, by Skyland Utilities, LLC. (Deferred from the December 14, 2010 Commission Conference.)

(Continued from previous page)

Issue 10: If the certificates for the proposed water and wastewater systems are granted, what is the appropriate return on equity for Skyland?

Recommendation: If the certificates for the proposed water and wastewater systems are granted, the appropriate return on equity for Skyland should be 10.85 percent, with a range of plus or minus 100 basis points, based on the leverage graph formula in effect at the time of the Commission vote in this proceeding.

Issue 11: If the certificates for the proposed water and wastewater systems are granted, what are the appropriate potable water and wastewater rates for Skyland?

Recommendation: If the certificates for the proposed water and wastewater systems are granted, water and wastewater rates should not be approved at this time. Instead, the utility should be required to file rates and charges at the time that all aspects of cost are reasonably known. However, should the Commission choose to establish rates and charges at this time, the rates and charges contained in the staff analysis are reasonable and should be approved. Skyland should be required to charge these rates and charges until authorized to change them by the Commission in a subsequent proceeding. Within 30 days from the date of the issuance of the order in this proceeding, Skyland should be required to file revised tariffs representing the Commission's vote for administrative approval by staff. Pursuant to Rule 25-30.475, F.A.C., the tariffs should be effective for services rendered or connections made on or after the stamped approval date on the tariff sheets.

Issue 12: If the certificates for water and wastewater systems are granted, what are the appropriate service availability charges for Skyland?

Recommendation: If the certificates for the proposed water and wastewater systems are granted and if the Commission votes to establish rates and charges at this time, Skyland's service availability policy and staff's recommended water and wastewater service availability charges shown on Schedule Nos. 1 and 2 of staff's memorandum dated December 2, 2010, respectively, are consistent with the guidelines of Rule 25-30.580, F.A.C., and should be approved. The charges should be effective for connections made on or after the stamped approval date on the tariff sheets.

Issue 13: If the certificates for the proposed water and wastewater systems are granted, what is the appropriate Allowance for Funds Used During Construction (AFUDC) rate for Skyland?

Recommendation: If the certificates for the proposed water and wastewater systems are granted, an annual AFUDC rate of 8.70 percent and a discounted monthly rate of 0.69760205 percent should be approved and applied to the qualified construction projects beginning on or after the date the certificates of authorization are issued.

ITEM NO.

CASE

14

Docket No. 090478-WS – Application for original certificates for proposed water and wastewater systems, in Hernando and Pasco Counties, and request for initial rates and charges, by Skyland Utilities, LLC. (Deferred from the December 14, 2010 Commission Conference.)

(Continued from previous page)

Issue 14: Should this docket be closed?

Recommendation: If the Commission denies the Application, upon the expiration of the appeal period, if no party timely appeals the order, this docket should be closed. If the proposed certificates for water and wastewater and rates and charges are granted, this docket should remain open pending staff's verification that the Utility has filed evidence of continued use of the land upon which the treatment facilities will be located, and revised tariff sheets. Upon the Utility's filing of this evidence, and upon filing and staff's approval of the revised tariff sheets, this docket should be closed administratively. If the proposed certificates for water and wastewater are granted but rates and charges are not approved, the docket should remain open pending staff's verification that the Utility has filed evidence of continued use of the land and the Utility's filing of rates and charges at the time that all aspects of the case are reasonably know.

DECISION: This item was deferred.

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

ITEM NO.

CASE

15**

Docket No. 100439-WS – Application for approval of revised service availability policy and charges by Rainbow Springs Utilities, L.C.

Critical Date(s): 1/11/11 (60-day Effective Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECR: Roberts, Brown, Daniel, Fletcher, Hudson, Maurey
GCL: Jaeger

Issue 1: Should Rainbow Springs Utilities, L.C.'s proposed tariff sheets to revise its service availability charges and to implement a new service availability policy for its water and wastewater division be suspended?

Recommendation: Yes, Rainbow's proposed tariff sheets to revise its service availability charges and to implement a new service availability policy for its water and wastewater division should be suspended pending further investigation by staff.

Issue 2: Should the docket be closed?

Recommendation: No. The docket should remain open pending the Commission's final action on the Utility's requested new main extension fees and revised service availability policy to increase plant capacity charges for both water and wastewater classes of service.

DECISION: The recommendations were approved.

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