

**MINUTES OF January 26, 2010**  
**COMMISSION CONFERENCE**  
**COMMENCED: 9:35 am**  
**RECESSED: 10:55 am**  
**RECONVENED: 11:10 am**  
**ADJOURNED: 12:19 pm**

**COMMISSIONERS PARTICIPATING:** Chairman Argenziano  
Commissioner Edgar  
Commissioner Skop  
Commissioner Klement  
Commissioner Stevens

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

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1                    **Approval of Minutes**  
December 1, 2009 Regular Commission Conference  
December 15, 2009 Regular Commission Conference

DECISION: The minutes were approved.

Commissioners participating: Argenziano, Edgar, Skop, Klement, Stevens

**ITEM NO.**

**CASE**

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2\*\*

**Consent Agenda**

PAA

A) Applications for certificates to provide competitive local exchange telecommunications service.

DOCKET NO.

COMPANY NAME

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090491-TX

Mountain Communications, LLC

090503-TX

Likwid Communications Inc.

090532-TX

Assurance Home Phone Services, Inc.

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

DECISION: The recommendation was approved.

Commissioners participating: Argenziano, Edgar, Skop, Klement, Stevens

**ITEM NO.**

**CASE**

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3\*\*PAA

**Docket No. 090461-TL** – Petition for modification of Service Guarantee Program by BellSouth Telecommunications, Inc. d/b/a AT&T Florida.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Administrative

**Staff:** RAD: Watts

GCL: Tan

SSC: Moses

**Issue 1:** Pursuant to Section 364.02, F.S., what services constitute basic telecommunication service for purposes of AT&T Florida’s proposed Service Guarantee Program?

**Recommendation:** Pursuant to Section 364.02(1), F.S., access to intraLATA and interLATA are basic services. Staff believes that an AT&T Florida customer who is presubscribed to intraLATA and interLATA services should not be exempted from the protection of AT&T Florida’s proposed Service Guarantee Program. Presubscription simply provides a customer access to intraLATA and interLATA services. Furthermore, interLATA services are not unregulated because the Commission retains limited oversight and regulation of intrastate interexchange telecommunication (IXC) services. Presubscribing to interLATA and intraLATA toll should be identified as basic telecommunication service for purposes of AT&T Florida’s proposed Service Guarantee Program.

**DECISION:** The recommendation was denied.

**Issue 2:** Should the Commission approve AT&T Florida’s request to modify its existing Service Guarantee Program, pursuant to the changes to the service quality rules necessitated by Chapter 2009-226, Laws of Florida?

**Recommendation:** Yes, the Commission should approve AT&T Florida’s request to modify its existing Service Guarantee Program, pursuant to the changes to the service quality rules necessitated by Chapter 2009-226, Laws of Florida. Customers, to whom the Service Guarantee Program applies, should be identified based on the Commission’s decision in Issue 1.

**DECISION:** The recommendation was approved as discussed at the Commission Conference.

**ITEM NO.**

**CASE**

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3\*\*PAA

**Docket No. 090461-TL** – Petition for modification of Service Guarantee Program by BellSouth Telecommunications, Inc. d/b/a AT&T Florida.

(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: Argenziano, Edgar, Skop, Klement, Stevens

**ITEM NO.**

**CASE**

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4\*\*PAA

**Docket No. 090480-TX** – Compliance investigation of Clective Telecom Florida, LLC for apparent failure to accurately disclose information on application. (Deferred from the December 15, 2009 Commission Conference.)

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Administrative

**Staff:** RAD: Watts

GCL: Tan

**Issue 1:** Should the Commission cancel Clective Telecom Florida, LLC's CLEC Certificate No. 8736 for the company's apparent failure to accurately disclose information in Docket No. 080545-TX, application for a certificate of public convenience and necessity to provide telecommunications services within the State of Florida as a competitive local exchange company?

**Recommendation:** Yes, the Commission should cancel Clective Telecom Florida, LLC's CLEC Certificate No. 8736 for the company's apparent failure to accurately disclose information in Docket No. 080545-TX, application for a certificate of public convenience and necessity to provide telecommunications services within the State of Florida as a competitive local exchange company.

**Issue 2:** If the Commission approves Issue 1, should the Commission refer Clective FL to the appropriate authority for a determination whether criminal charges are appropriate regarding the apparent violation of Section 837.06, F.S.?

**Recommendation:** Yes. If staff's recommendation in Issue 1 is approved, the Commission should refer Clective FL to the appropriate authority for a determination whether criminal charges are appropriate regarding the apparent violation of Section 837.06, F.S.

**ITEM NO.**

**CASE**

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4\*\*PAA

**Docket No. 090480-TX** – Compliance investigation of Clective Telecom Florida, LLC for apparent failure to accurately disclose information on application.

(Continued from previous page)

**Issue 3:** Should this docket be closed?

**Recommendation:** Staff recommends that the Order issued from this recommendation 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 any material facts in dispute, in the form provided by Rule 28-106.201, F.A.C., within 21 days of the issuance of the Proposed Agency Action Order. As provided by Section 120.80(13)(b), F.S., any issues not in dispute should be deemed stipulated. The company should also be required to immediately cease and desist providing all intrastate telecommunications services in Florida, and the CLEC certificate should become inactive on December 31, 2009. If there is no protest, this docket should be closed upon issuance of the Consummating Order.

**DECISION:** This item was withdrawn.

Commissioners participating: Argenziano, Edgar, Skop, Klement, Stevens

**ITEM NO.**

**CASE**

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5\*\*

**Docket No. 090505-EI** – Review of replacement fuel costs associated with the February 26, 2008 outage on Florida Power & Light's electrical system.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Skop

**Staff:** RAD: Graves, Matthews

ECR: Lee, Roberts

GCL: Bennett

**(Decision on Stipulation Prior to Hearing)**

**Issue 1:** Should the Commission approve the Proposed Resolution of Issues found in Attachment 1 of staff's memorandum dated January 13, 2010?

**Recommendation:** Yes. The Commission should approve the Proposed Resolution of Issues. Pursuant to the Proposed Resolution of Issues, FPL will be responsible for the cost of replacement power attributable to the February 26, 2008 outage. The issues remaining for this docket should be limited to the appropriate measure of replacement power costs and the appropriate method of refunding customers.

**Issue 2:** Should this docket be closed?

**Recommendation:** No. This recommendation is only meant to address FPL's Proposed Resolution of Issues which reconciles one issue in this docket.

DECISION: The recommendations were approved.

Commissioners participating: Argenziano, Edgar, Skop, Klement, Stevens

**ITEM NO.**

**CASE**

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6\*\*PAA

**Docket No. 090519-TI** – Compliance investigation of Communicate Technological Systems, LLC for apparent violation of Rule 25-24.470, F.A.C.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Administrative

**Staff:** RAD: Curry

GCL: Brooks

**Issue 1:** Should the Commission impose a penalty in the amount of \$25,000 upon Communicate Technological Systems, LLC for its apparent violation of Rule 25-24.470, F.A.C., Registration Required, to be paid to the Florida Public Service Commission within fourteen calendar days after the issuance of the Consummating Order?

**Recommendation:** Yes, the Commission should impose a penalty in the amount of \$25,000 upon Communicate Technological Systems, LLC for its apparent violation of Rule 25-24.470, F.A.C., Registration Required, to be paid to the Florida Public Service Commission within fourteen calendar days after the issuance of the Consummating Order.

**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 CTS fails to timely file a protest and request a Section 120.57, Florida Statutes, hearing, the facts should be deemed admitted, the right to a hearing waived, and the penalty should be deemed assessed. If payment of the penalty is not received within fourteen (14) calendar days after the issuance of the Consummating Order the penalty should be referred to the Department of Financial Services for collection and the company should be required to immediately cease and desist providing intrastate interexchange telecommunications services in Florida. This docket should be closed administratively upon receipt of the company's current contact information, published schedule, and payment of the penalty, or upon the referral of the penalty to the Department of Financial Services.

**DECISION:** The recommendations were approved.

Commissioners participating: Argenziano, Edgar, Skop, Klement, Stevens



**ITEM NO.**

**CASE**

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7\*\*PAA

**Docket No. 080695-WU** – Application for general rate increase by Peoples Water Service Company of Florida, Inc. (Issues 12-18 were deferred from the January 5, 2010, Commission Conference, revised recommendation filed.)

**Critical Date(s):** 01/26/10 (5-Month Effective Date Waived through 01/26/10  
(PAA Rate Case))

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Edgar

**Staff:** RAD: Casey

ECR: Stallcup, Lingo, Thompson

GCL: Sayler

**(Proposed Agency Action Except for Issue Nos. 15 and 17.)**

**Issue 12:** What are the appropriate water system rate structures to apply to the Utility's various customer classes, what is the appropriate method of calculating equivalent residential connections (ERCs), and what is the appropriate BFC cost recovery allocation percentage?

**Recommendation:** Based upon the Commission's discussions at the January 5, 2010 Agenda Conference, staff is presenting several alternative rate structures to its originally recommended rate structure that allow the utility to recover the approved revenue requirement. These alternative rate structures include staff's originally recommended rate structure as well as four additional rate structures designed to minimize the change in customer bills at low levels of consumption.

For those rate structures that incorporate an inclining block rate structure for the residential class, the recommended usage blocks are based upon staff's originally recommended rate blocks for monthly consumption. These usage blocks are: (1) of 0-6,000 gallons (6 kgal); (2) 6.001-12 kgal; and (3) in excess of 12 kgal. The usage block rate factors should be set at 1.0, 1.5 and 2.0, respectively. **The multiple minimum billing (MMB)/uniform gallonage charge rate structure should be applied to the multi-residential customer class.** The base facility charge (BFC)/uniform gallonage charge rate structure should be applied to all other customer classes. The appropriate method of calculating ERCs for customer classes other than the multi-residential class should be based on the American Water Works Association (AWWA) meter equivalency factors. **The appropriate calculation of ERCs for the multi-residential class should be based on the number of housing units served.**

**DECISION:** The recommendation was approved noting that alternative 4 was adopted. Non-residential rates will remain as noted in the original recommendation.

**ITEM NO.**

**CASE**

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7\*\*PAA

**Docket No. 080695-WU** – Application for general rate increase by Peoples Water Service Company of Florida, Inc.

(Continued from previous page)

**Issue 13:** Is a repression adjustment to the Utility’s water system appropriate in this case, and, if so, what is the appropriate adjustment to make for this Utility?

**Recommendation:** Yes, a repression adjustment is appropriate. The appropriate repression adjustment will be dependent upon the Commission’s decision in Issue 12 regarding the appropriate rate structure for this Utility. The appropriate number of kgals repressed and the resulting post-repression revenue requirement for each alternative discussed in Issue 12 is contained in Table 13-1 in the Analysis portion of Staff’s Memorandum filed January 20, 2010.

In order to monitor the effects of both the changes in revenues and rate structure, the Utility should be ordered to prepare monthly reports detailing the number of bills rendered, the consumption billed and the revenues billed for each system. In addition, the reports should be prepared by customer class 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 such revision.

**DECISION:** The recommendation was approved, noting that alternative 4 was adopted in Issue 12.

**Issue 14:** What are the appropriate rates for this Utility?

**Recommendation:** The appropriate monthly water rates are shown on Schedule 4 of Staff’s memorandum filed January 20, 2010. Excluding miscellaneous service revenues, the recommended water rates are designed to produce revenues of \$3,410,350. 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 of the revised tariff sheets pursuant to Rule 25-30.475(1), F.A.C. In addition, the rates should not be implemented until staff has approved the proposed customer notice. The Utility should provide proof of the date the notice was given no less than 10 days after the date of the notice.

**DECISION:** The recommendation was approved, noting that alternative 4 was adopted in Issue 12.

**ITEM NO.**

**CASE**

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7\*\*PAA

**Docket No. 080695-WU** – Application for general rate increase by Peoples Water Service Company of Florida, Inc.

(Continued from previous page)

**Issue 15:** What is the appropriate amount by which rates should be reduced four years after the established effective date to reflect the removal of the amortized rate case expense?

**Recommendation:** The rates should be reduced as shown on Schedule 4 to remove the rate case expense, grossed-up for regulatory assessment fees (RAFs), which is being amortized over a four-year period. The decrease in rates should become effective immediately following the expiration of the four-year rate case expense recovery period, pursuant to Section 367.0816, F.S. The Utility should be required to file revised tariffs and a proposed customer notice setting forth the lower rates and the reason for the reduction no later than one month prior to the actual date of the required rate reduction. The approved rates should be effective for service rendered on or after the stamped approval date of the revised tariff sheets, pursuant to Rule 25-40.475(1), F.A.C. The rates should not be implemented until staff has approved the proposed customer notice. Peoples should provide proof of the date notice was given no less than 10 days after the date of the notice. 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 for the reduction in the rates due to the amortized rate case expense.

**DECISION:** The recommendation was approved, noting that alternative 4 was adopted in Issue 12.

**Issue 16:** In determining whether any portion of the interim increase granted should be refunded, how should the refund be calculated, and what is the amount of refund, if any?

**Recommendation:** The proper refund amount should be calculated by using the same data used to establish final rates, excluding rate case expense and other items not in effect during the interim period. This revised revenue requirement for the interim collection period should be compared to the amount of interim revenue requirement granted. Using these principals, staff recommends that no interim refund is required.

**DECISION:** The recommendation was approved, noting that alternative 4 was adopted in Issue 12.

**ITEM NO.**

**CASE**

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7\*\*PAA

**Docket No. 080695-WU** – Application for general rate increase by Peoples Water Service Company of Florida, Inc.

(Continued from previous page)

**Issue 17:** Should the Utility be required to provide proof that it has adjusted its books for all Commission approved adjustments?

**Recommendation:** Yes. To ensure that the Utility adjusts its books in accordance with the Commission's decision, Peoples should provide proof, within 90 days of the final order in this docket, that the adjustments for all the applicable National Association of Regulatory Utility Commissioners Uniform System of Accounts primary accounts have been made.

**DECISION:** The recommendation was approved, noting that alternative 4 was adopted in Issue 12.

**Issue 18:** 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. Once these actions are complete, this docket should be closed administratively, and the letter of credit should be released.

**DECISION:** The recommendation was approved, noting that alternative 4 was adopted in Issue 12.

Commissioners participating: Argenziano, Edgar, Skop, Klement, Stevens

**ITEM NO.**

**CASE**

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8\*\*PAA

**Docket No. 090529-EI** – Petition to include costs associated with the extended power uprate project in base rates, by Florida Power & Light Company.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Edgar

**Staff:** ECR: Slemkewicz, Breman, Buys, Davis, Laux, Kaley, Thompson  
GCL: A. Williams

**Issue 1:** Should FPL's request to increase its base rates by \$354,225 for the turbine gantry crane phase of the EPU project at PSL2 be approved?

**Recommendation:** Yes. FPL's request to increase its base rates by \$354,225 for the turbine gantry crane phase of the EPU project at PSL2 should be approved. This approval should be subject to true-up and revision based on the final review of the 2009 turbine gantry crane phase expenditures in Docket No. 100009-EI, Nuclear Cost Recovery Clause.

**Issue 2:** Should FPL's request to increase its base rates by \$16,924 for the 5-year amortization of the EPU assets that are being retired during 2009 be approved?

**Recommendation:** No. FPL's request to increase its base rates by \$16,924 for the 5-year amortization of the EPU assets that are being retired during 2009 should be reduced to \$7,136, a reduction of \$9,788.

**Issue 3:** Should the Commission approve FPL's proposal to implement any base rate increase approved in this docket on the same date as any approved base rate revision in its pending base rate proceeding in Docket No. 080677-EI?

**Recommendation:** Yes. The Commission should approve FPL's proposal to implement any base rate increase approved in this docket on the same date as any approved base rate revision in its pending base rate proceeding in Docket No. 080677-EI.

**Issue 4:** 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:** This item was deferred to the March 2, 2010 Commission Conference.

Commissioners participating: Argenziano, Edgar, Skop, Klement, Stevens

**ITEM NO.**

**CASE**

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9\*\*PAA

**Docket No. 090230-WU** – Application for staff-assisted rate case in St. Johns County by Camachee Island Company, Inc. d/b/a Camachee Cove Yacht Harbor Utility. (Deferred from the December 15, 2009 Commission Conference, revised recommendation filed.)

**Critical Date(s):** 07/26/10 (15-Month Effective Date (SARC))

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Argenziano

**Staff:** ECR: Deason, Bruce, Bulecza-Banks, Fletcher, Simpson  
GCL: Brown

**(Proposed Agency Action Except for Issues 12, 13, and 14)**

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

**Recommendation:** Yes, the overall quality of service provided by the Utility should be considered satisfactory.

DECISION: The recommendation was approved.

**Issue 2:** What are the used and useful percentages of the Utility’s water treatment plant, ground storage tank, and water distribution lines?

**Recommendation:** The Utility’s water treatment plant, ground storage tank, and water distribution system are 100 percent used and useful.

DECISION: The recommendation was approved.

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

**Recommendation:** The appropriate average test year water rate base for the Utility is \$352,235.

DECISION: The recommendation was approved.

**Issue 4:** What is the appropriate return on equity and overall rate of return for this Utility?

**Recommendation:** The appropriate return on equity is 9.67 percent with a range of 8.67 percent-10.67 percent. The appropriate overall rate of return is 9.67 percent.

DECISION: The recommendation was approved.

**ITEM NO.**

**CASE**

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9\*\*PAA

**Docket No. 090230-WU** – Application for staff-assisted rate case in St. Johns County by Camachee Island Company, Inc. d/b/a Camachee Cove Yacht Harbor Utility. (Deferred from the December 15, 2009 Commission Conference, revised recommendation filed.)

(Continued from previous page)

**Issue 5:** What are the appropriate amounts of test year revenues in this case?

**Recommendation:** The appropriate amount of test year revenues for the Utility is \$45,077 for water.

**DECISION:** The recommendation was approved.

**Issue 6:** What are the appropriate operating expenses?

**Recommendation:** The appropriate amount of operating expense for the Utility is \$80,378.

**DECISION:** The recommendation was approved.

**Issue 7:** What is the appropriate revenue requirement?

**Recommendation:** The appropriate revenue requirement is \$114,439.

**DECISION:** The recommendation was approved.

**Issue 8:** Should customers with 2” meters be charged a lower base facility charge?

**Recommendation:** No. Customers with 2” meters should pay a BFC consistent with the AWWA meter equivalency chart, which for a 2” meter is worth 8 ERCs.

**DECISION:** The recommendation was approved.

**Issue 9:** Should the Utility’s current water system rate structure be changed, and, if so, what is the appropriate adjustment?

**Recommendation:** Yes. The Utility’s current residential water system rate structure, which includes a 3,000 gallon (3 kgal) allotment in the BFC, should be changed to a three-tier inclining block rate structure. The usage blocks should be set for consumption at: a) 0-6 kgals; b) 6-12 kgals; c) usage in excess of 12 kgals, with appropriate usage block rate factors of 1.00; 1.50; and 2.00, respectively. The Utility’s current non-residential water system rate structure, which also includes a 3 kgal allotment in the BFC, should be changed to a traditional base facility charge (BFC)/uniform gallonage charge rate structure. Furthermore, the appropriate rate structure for the unmetered non-residential customer should be a uniform flat rate structure. The BFC cost recovery should be set at 35 percent

**DECISION:** The recommendation was modified to adopt the rate structure in alternative 3 as recommended by staff.

**ITEM NO.**

**CASE**

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9\*\*PAA

**Docket No. 090230-WU** – Application for staff-assisted rate case in St. Johns County by Camachee Island Company, Inc. d/b/a Camachee Cove Yacht Harbor Utility. (Deferred from the December 15, 2009 Commission Conference, revised recommendation filed.)

(Continued from previous page)

**Issue 10:** Is a repression adjustment appropriate in this case, and if so, what are the appropriate adjustments to make for this Utility, what are the appropriate corresponding expense adjustments to make, and what are the final revenue requirements?

**Recommendation:** No, a repression adjustment is not appropriate for this Utility. However, in order to monitor the effects resulting from the changes in revenues the Utility should prepare monthly reports for the water system, detailing the number of bills rendered, the consumption billed and revenues billed. The reports should be provided to staff. In addition, the reports should be prepared, by customer class 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.

DECISION: The recommendation was approved.

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

**Recommendation:** The appropriate monthly water rates are shown on Schedules No. 4 of staff's memorandum dated January 13, 2010. The recommended rates should be designed to produce revenue \$114,439 for water, 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.

DECISION: The recommendation was approved.



**ITEM NO.**

**CASE**

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9\*\*PAA

**Docket No. 090230-WU** – Application for staff-assisted rate case in St. Johns County by Camachee Island Company, Inc. d/b/a Camachee Cove Yacht Harbor Utility. (Deferred from the December 15, 2009 Commission Conference, revised recommendation filed.)

(Continued from previous page)

**Issue 12:** What is the appropriate amount by which rates should be reduced four years after the established effective date to reflect the removal of the amortized rate case expense as required by Section 367.0816, F.S.?

**Recommendation:** The water rates should be reduced as shown on Schedule No. 4 of staff's memorandum dated January 13, 2010, to remove rate case expense grossed-up for RAFs and amortized over a four-year period. The decrease in rates should become effective immediately following the expiration of the four-year rate case expense recovery period, pursuant to Section 367.0816, F.S. The Utility should be required to file revised tariffs and a proposed customer notice setting forth the lower rates and the reason for the reduction no later than one month prior to the actual date of the required rate reduction. If 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.

DECISION: The recommendation was approved.

**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. 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 January 13, 2010. 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.

DECISION: The recommendation was approved.

**ITEM NO.**

**CASE**

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9\*\*PAA

**Docket No. 090230-WU** – Application for staff-assisted rate case in St. Johns County by Camachee Island Company, Inc. d/b/a Camachee Cove Yacht Harbor Utility. (Deferred from the December 15, 2009 Commission Conference, revised recommendation filed.)

(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 the applicable 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, Camachee should provide proof, within 90 days of the final order issued in this docket, that the adjustments for all the applicable NARUC USOA primary accounts have been made.

DECISION: The recommendation was approved.

**Issue 15:** Should this docket be closed?

**Recommendation:** No. The docket should remain open until a final order has been issued, staff has approved the revised tariffs sheets and customer notices, the Utility has sent the notices to its customers, staff has received proof that the customers have received notice within 10 days after the date of the notice, and the Utility has provided staff with proof that the adjustments for all the applicable NARUC USOA primary accounts have been made. Once staff has verified all of the above actions are complete, this docket should be closed administratively.

DECISION: The recommendation was approved.

Commissioners participating: Argenziano, Edgar, Skop, Klement, Stevens

**ITEM NO.**

**CASE**

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10\*\*PAA

**Docket No. 100005-WS** – Annual reestablishment of price increase or decrease index of major categories of operating costs incurred by water and wastewater utilities pursuant to Section 367.081(4)(a), F.S.

**Critical Date(s):** March 31, 2010 - Statutory Reestablishment Deadline

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Administrative

**Staff:** ECR: Fletcher, Bulecza-Banks

GCL: Klancke

**Issue 1:** Which index should be used to determine price level adjustments?

**Recommendation:** The Gross Domestic Product Implicit Price Deflator Index is recommended for use in calculating price level adjustments. Staff recommends calculating the 2010 price index by using a fiscal year, four quarter comparison of the Implicit Price Deflator Index ending with the third quarter 2009.

**Issue 2:** What percentage should be used by water and wastewater utilities for the 2010 Price Index?

**Recommendation:** The 2010 Price Index for water and wastewater utilities should be 0.56 percent.

**Issue 3:** How should the utilities be informed of the indexing requirements?

**Recommendation:** Pursuant to Rule 25-30.420(1), F.A.C., the Office of Commission Clerk, after the expiration of the Proposed Agency Action (PAA) protest period, should mail each regulated water and wastewater utility a copy of the PAA order establishing the index containing the information presented in Form PSC/ECR 15 (4/99) and Appendix A (Attachment 1). A cover letter from the Director of the Division of Economic Regulation should be included with the mailing of the order (Attachment 2). If a protest is filed and a hearing is held, the Office of Commission Clerk should mail each regulated water and wastewater utility a copy of the final order establishing the index which should contain the information presented in Form PSC/ECR 15 (4/99) and Appendix A (Attachment 1) of staff's memorandum dated January 13, 2010. A cover letter from the Director of the Division of Economic Regulation should be included with the mailing of the order (Attachment 2).

**ITEM NO.**

**CASE**

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10\*\*PAA

**Docket No. 100005-WS** – Annual reestablishment of price increase or decrease index of major categories of operating costs incurred by water and wastewater utilities pursuant to Section 367.081(4)(a), F.S.

(Continued from previous page)

**Issue 4:** Should this docket be closed?

**Recommendation:** Yes, this docket should be closed upon the issuance of the Consummating Order if no substantially affected person files a timely protest within the 14-day protest period after issuance of the PAA Order. Any party filing a protest should be required to prefile testimony with the protest.

**DECISION:** The recommendations were approved.

At the conclusion of the agenda, there was a discussion concerning Docket No. 090109-EI.

**DECISION:** A decision was reached to add Docket No. 090109-EI as an item on the February 9, 2009, Commission Conference Agenda.

Commissioners participating: Argenziano, Edgar, Skop, Klement, Stevens