

**MINUTES OF July 29, 2008
COMMISSION CONFERENCE**

COMMENCED: 9:35 a.m.
RECESSED: 11:35 a.m.
RECONVENED: 11:55 a.m.
RECESSED: 1:00 P.M.
RECONVENED 2:22 P.M.
ADJOURNED: 3:26 P.M.

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

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

1

Approval of Minutes
June 17, 2008 Regular Commission Conference
July 1, 2008 Regular Commission Conference

DECISION: The minutes were approved.

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

ITEM NO.

CASE

2**

Consent Agenda

PAA

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

DOCKET NO.

COMPANY NAME

080426-TX

BroadRiver Communication Corporation

PAA

B) Application for certificate to provide pay telephone service.

DOCKET NO.

COMPANY NAME

080429-TC

CLS Billing 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: Carter, Edgar, McMurrian, Argenziano, Skop

ITEM NO.

CASE

3

Docket No. 070691-TP – Complaint and request for emergency relief against Verizon Florida, LLC for anticompetitive behavior in violation of Sections 364.01(4), 364.3381, and 364.10, F.S., and for failure to facilitate transfer of customers' numbers to Bright House Networks Information Services (Florida), LLC, and its affiliate, Bright House Networks, LLC.

Docket No. 080036-TP – Complaint and request for emergency relief against Verizon Florida, L.L.C. for anticompetitive behavior in violation of Sections 364.01(4), 364.3381, and 364.10, F.S., and for failure to facilitate transfer of customers' numbers to Comcast Phone of Florida, L.L.C. d/b/a Comcast Digital Phone. (Deferred from the July 15, 2008 Commission Conference.)

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Edgar

Staff: GCL: Mann

RCP: Beard, Casey, Hallenstein

(Oral Argument Requested)

Issue 1: Should the Commission grant Verizon's Request for Oral Argument on its Motion for Reconsideration?

Recommendation: No. Staff recommends that the Commission deny Verizon's Request for Oral Argument on its Motion for Reconsideration.

Issue 2: Should the Commission grant Verizon's Motion for Reconsideration of Commission Order No. PSC-08-0344-PCO-TP, Second Order Modifying Procedure?

Recommendation: No. Staff recommends that the Commission deny reconsideration of Order No. PSC-08-0344-PCO-TP, Second Order Modifying Procedure.

Issue 3: Should this docket be closed?

Recommendation: No. If the Commission approves staff's recommendation in Issue 2, this Docket should remain open pending further proceedings.

DECISION: The recommendations were approved with oral modification.

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

ITEM NO.

CASE

4**PAA

Docket No. 080206-EU – Petition for approval to amend territorial agreement regarding extension of time to finalize Phase II of customer transfers, by Progress Energy Florida, Inc. and Withlacoochee River Electric Cooperative.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Edgar

Staff: GCL: Brown

ECR: Redemann

Issue 1: Should the Commission approve the Petition to amend the territorial agreement between Withlacoochee River Electric Cooperative, Inc. and Progress Energy Florida, Inc.?

Recommendation: Yes, the Commission should approve the Petition to amend. The extension of time to complete customer transfers should begin at the effective date of the order approving the amendment. The Commission should require the utilities to file a report on the status of the transfers every three months, with a final report to the Commission when the transfers are complete.

Issue 2: Should this docket be closed?

Recommendation: Yes, this docket should be closed upon the issuance of a Consummating Order unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the proposed agency action.

DECISION: The recommendations were approved.

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

ITEM NO.

CASE

5**

Docket No. 010977-TL – State certification of rural telecommunications carriers pursuant to 47 C.F.R. 54.314.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: RCP: Polk, Casey

GCL: Teitzman

Issue 1: Should the Florida Public Service Commission (FPSC or Commission) certify to the FCC and to the USAC that for the year 2009 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, and Smart City Telecommunications, LLC d/b/a Smart City Telecom 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: Carter, Edgar, McMurrian, Argenziano, Skop

ITEM NO.

CASE

6**

Docket No. 080184-EQ – Petition for approval of standard offer contract for small qualifying facilities and producers of renewable energy, by Tampa Electric Company.

Critical Date(s): 12/02/08 (8-Month Effective Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Argenziano

Staff: SGA: Sickel, Lewis, Montford

ECR: Kummer

GCL: Hartman

Issue 1: Is the standard offer contract, as supplemented, filed by Tampa Electric Company in compliance with Rules 25-17.200 through 25-17.310, Florida Administrative Code?

Recommendation: Yes. The Standard Offer Contract proposed by TECO is in compliance with Rules 25-17.200 through 25-17.310, F.A.C., and therefore should be approved.

Issue 2: Should this docket be closed?

Recommendation: If the Commission approves staff's recommendation to approve the proposed Standard Offer Contract, including the supplemental filing, and tariffs filed by TECO, and no person whose substantial interests are affected requests a hearing to address this matter, then Docket No. 080184-EQ should be closed, and the Standard Offer Contracts and tariffs filed by TECO should be effective as of the date of the Commission's vote. If a protest is filed within 21 days of the issuance of the Commission's order, the tariffs should remain in effect pending resolution of the protest. Potential signatories to the standard offer contract should be aware that TECO's tariffs and standard offer contracts may be subject to a request for hearing, and if a hearing is held, may subsequently be revised.

DECISION: The recommendations were approved.

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

ITEM NO.

CASE

7**

Docket No. 080187-EQ – Petition for approval of amended standard offer contract and COG-2 rate schedule, by Progress Energy Florida.

Critical Date(s): 12/01/08 (8-Month Effective Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Argenziano

Staff: SGA: Sickel, Lewis, Webb

ECR: Kummer

GCL: Hartman

Issue 1: Is the standard offer contract filed by Progress Energy Florida, Inc. in compliance with Rules 25-17.200 through 25-17.310, F.A.C.?

Recommendation: Yes. The Standard offer Contract proposed by PEF is in compliance with Rules 25-17.200 through 25-17.310, F.A.C., and therefore should be approved.

Issue 2: Should this docket be closed?

Recommendation: If the Commission approves staff's recommendation to approve the proposed Standard Offer Contract and tariffs filed by PEF, and no person whose substantial interests are affected requests a hearing to address this matter, then Docket No. 080187-EQ should be closed, and the Standard Offer Contracts and tariffs filed by PEF should be effective as of the date of the Commission's vote. If a protest is filed within 21 days of the issuance of the Commission's order, the tariffs should remain in effect pending resolution of the protest. Potential signatories to the standard offer contract should be aware that PEF's tariffs and standard offer contracts may be subject to a request for hearing, and if a hearing is held, may subsequently be revised.

DECISION: This Item was withdrawn.

ITEM NO.

CASE

8**

Docket No. 080193-EQ – Petition for approval of renewable energy tariff and standard offer contract, by Florida Power & Light Company.

Critical Date(s): 12/01/08 (8-Month Effective Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Argenziano

Staff: SGA: Sickel, Lewis, Webb

ECR: Kummer

GCL: Hartman

Issue 1: Is the standard offer contract filed by Florida Power & Light Company in compliance with Rules 25-17.200 through 25-17.310, F.A.C.?

Recommendation: Yes. The Standard Offer Contract proposed by FPL is in compliance with Rules 25-17.200 through 25-17.310, F.A.C., and therefore should be approved.

Issue 2: Should this docket be closed?

Recommendation: If the Commission approves staff's recommendation to approve the proposed Standard Offer Contract and tariffs filed by FPL, and no person whose substantial interests are affected requests a hearing to address this matter, then Docket No. 080193-EQ should be closed, and the Standard Offer Contracts and tariffs filed by FPL should be effective as of the date of the Commission's vote. If a protest is filed within 21 days of the issuance of the Commission's order, the tariffs should remain in effect pending resolution of the protest. Potential signatories to the standard offer contract should be aware that FPL's tariffs and standard offer contracts may be subject to a request for hearing, and if a hearing is held, may subsequently be revised.

DECISION: The recommendations were approved.

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

ITEM NO.

CASE

9**

Docket No. 080194-EQ – Petition for approval of new standard offer for purchase of firm capacity and energy from renewable energy facilities or small qualifying facilities and approval of tariff schedule REF-1, by Gulf Power Company.

Critical Date(s): 12/02/08 (8-Month Effective Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Argenziano

Staff: SGA: Sickel, Clemence, Lewis

ECR: Kummer

GCL: Hartman

Issue 1: Is the standard offer contract filed by Gulf Power Company in compliance with Rules 25-17.200 through 25-17.310, F.A.C.?

Recommendation: Yes. The Standard Offer Contract, with related tariff, proposed by Gulf is in compliance with Rules 25-17.200 through 25-17.310, F.A.C., and therefore should be approved.

Issue 2: Should this docket be closed?

Recommendation: If the Commission approves staff's recommendation to approve the proposed Standard Offer Contract and tariffs filed by Gulf, and no person whose substantial interests are affected requests a hearing to address this matter, then Docket No. 080194-EQ should be closed, and the Standard Offer Contracts and tariffs filed by Gulf should be effective as of the date of the Commission's vote. If a protest is filed within 21 days of the issuance of the Commission's order, the tariffs should remain in effect pending resolution of the protest. Potential signatories to the standard offer contract should be aware that Gulf's tariffs and standard offer contracts may be subject to a request for hearing, and if a hearing is held, may subsequently be revised.

DECISION: The recommendations were approved.

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

ITEM NO.

CASE

10**

Docket No. 080283-EQ – Petition for approval of revisions to renewable energy tariff, by Florida Public Utilities Company.

Critical Date(s): 01/20/09 (8-Month Effective Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: SGA: Sickel

ECR: Kummer

GCL: Hartman

Issue 1: Is the standard offer contract filed by Florida Public Utilities Company in compliance with Rules 25-17.200 through 25-17.310, F.A.C.?

Recommendation: Yes. The Standard Offer Contract proposed by FPUC is in compliance with Rules 25-17.200 through 25-17.310, F.A.C., and therefore should be approved.

Issue 2: Should this docket be closed?

Recommendation: If the Commission approves staff's recommendation to approve the proposed Standard Offer Contract and tariffs filed by FPUC, and no person whose substantial interests are affected requests a hearing to address this matter, then Docket No. 080283-EQ should be closed, and the Standard Offer Contracts and tariffs filed by FPUC should be effective as of the date of the Commission's vote. If a protest is filed within 21 days of the issuance of the Commission's order, the tariffs should remain in effect pending resolution of the protest. Potential signatories to the standard offer contract should be aware that FPUC's tariffs and standard offer contracts may be subject to a request for hearing, and if a hearing is held, may subsequently be revised.

DECISION: The recommendations were approved.

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

ITEM NO.

CASE

11**PAA

Docket No. 080219-EI – Joint petition for authority to deviate from requirements of Order PSC-06-0144-PAA-EI regarding CCA wood pole inspections, by Progress Energy Florida, Inc., Florida Power & Light Company, and Tampa Electric Company.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: SGA: Graves, Lewis

GCL: Hartman

Issue 1: Should PEF, FPL, and TECO be granted authority to deviate from the sounding and boring and excavation requirements of Order No. PSC-06-0144-PAA-EI with regard to CCA wood poles less than 16 years old?

Recommendation: No. Staff does not believe that PEF, FPL, and TECO should be granted approval of the proposed deviation.

Staff recommends that TECO be extended a similar deviation to that which was granted to Gulf in Order No. PSC-06-0778-PAA-EU. Such a deviation will allow for TECO to discontinue full excavation of CCA poles with less than 16 years in service. Consistent with Order No. PSC-06-0778-PAA-EU, TECO should be required to sound and selectively bore CCA poles under the age of 16 years. In order to ensure that more rigorous inspection requirements are not warranted, TECO should also be required to augment its annual inspection program to include full excavation sampling of one percent of the CCA poles that would not normally qualify for full excavation. Data provided by TECO indicates that the aforementioned deviations will not adversely affect safety and reliability additionally TECO expects to realize \$176,000 in annual cost savings as a result of discontinuing excavation.

Staff recommends that PEF and FPL not be granted deviation from current inspection methods at this time. Examination of data provided by these utilities indicates that approval of the requested deviation could adversely affect safety and reliability by allowing defective poles to remain in service or go untreated.

Issue 2: Should this docket be closed?

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

DECISION: This item was withdrawn.

ITEM NO.

CASE

12**PAA

Docket No. 070626-EI – Review of Florida Power & Light Company's Sunshine Energy Program. (Deferred from the July 1, 2008 Commission Conference.)

Critical Date(s): 08/04/08 (60-day Suspension Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECR: Harlow, Devlin, Futrell

GCL: Fleming, Hartman

(Proposed Agency Action for Issue 1)

Issue 1: Does FPL's Sunshine Energy Program, as currently designed and administered, continue to be in the best interest of the program's participants?

Recommendation: No. The Sunshine Energy Program does not currently serve the interest of the program's participants and it does not align with current state renewable energy policies. ~~FPL should redesign the program along the following guidelines: (1) limit the level of administrative and marketing cost to 20 percent of the overall voluntary contributions with the remaining portion to be used for project costs; (2) provide semi-annual reports to the Commission in order to improve monitoring of program expenses and progress toward meeting program goals; (3) funds for renewable energy should facilitate the construction of new renewable energy projects in the state; (4) excess revenues should be directed to support additional renewable energy projects in Florida; (5) stronger provisions to ensure that renewable projects are installed in a timely manner; and, (6) provisions that allow for greater Commission oversight in the development of renewable projects.~~

~~FPL should modify the program following the above guidelines within 60 days of the issuance of the order codifying the Commission's vote. If FPL cannot or chooses not to modify the program to meet the guidelines by the established deadline, the Commission may choose to terminate the program.~~

DECISION: This recommendation was modified as noted above. The Commission is to terminate the program; cancel the tariff, effective July 29, 2008; escrow any monies voluntarily contributed as of July 29, 2008, and beyond; and continue the audit with the understanding that the information would be available to the Commission in the future.

ITEM NO.

CASE

12 **PAA

Docket No. 070626-EI – Review of Florida Power & Light Company's Sunshine Energy Program. (Deferred from the July 1, 2008 Commission Conference.)

(Continued from previous page)

Issue 2: Should the Commission direct FPL to provide additional information regarding the modifications to the Sunshine Energy Program proposed in its June 5, 2008 petition?

Recommendation: Yes. The Commission should direct FPL to provide detailed information on (1) how projects will be selected and financed, (2) any payments or ongoing obligations between FPL and other parties, (3) documentation for the estimated proportion of revenues to be spent on marketing and administrative expenses, (4) any obligation FPL holds with respect to existing projects, and (5) any impacts associated with terminating the Sterling Planet contract. FPL should provide this information within 30 days of the issuance of the order codifying the Commission's vote. FPL should follow the guidelines established in Issue 1 in developing its responses concerning the modifications or any further modifications to the program presented for the Commission's approval.

DECISION: This recommendation is moot.

Issue 3: Should the Commission suspend FPL's revised tariff for the Sunshine Energy Program?

Recommendation: Yes.

DECISION: This recommendation was denied and the tariff should be cancelled.

Issue 4: Should this docket be closed?

Recommendation: No. If no substantially affected person files a protest to Issue 1, this issue will become final upon the issuance of a consummating order. ~~If the Commission approves staff's recommendation on Issue 2, FPL should provide the required information within 30 days of the Commission's order. However, the docket should remain open pending the Commission's decision on the proposed tariff and staff's verification that the required information has been provided.~~

DECISION: This recommendation was approved as modified above. Staff was directed to draft an order based on the discussion at the Commission Agenda Conference.

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

ITEM NO.

CASE

13

Docket No. 080001-EI – Fuel and purchased power cost recovery clause with generating performance incentive factor. (Gulf Power Company)

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: McMurrin

Staff: ECR: Lester, Draper, Matlock, McNulty, Windham

GCL: Bennett, Young

(Participation is at the Commission's discretion.)

Issue 1: Should the Commission approve Gulf's petition for a mid-course correction to its 2008 fuel and purchased power cost recovery factors?

Recommendation: Yes. The Commission should approve Gulf's petition for a mid-course correction to its 2008 fuel and purchased power cost recovery factors. The proposed factors are shown on Attachment B of staff's memorandum dated July 17, 2008. If the Commission approves an alternative mid-course correction, the Commission should require Gulf to file revised fuel and purchased power cost recovery factors for administrative approval by staff.

Issue 2: What is the appropriate effective date for Gulf's revised cost-recovery factors?

Recommendation: If the Commission approves Issue 1, the new factors should become effective with Gulf's first billing cycle in September 2008.

Issue 3: Should this docket be closed?

Recommendation: The fuel docket is an on-going docket and should remain open.

DECISION: The recommendations were approved.

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

ITEM NO.

CASE

14**PAA

Docket No. 070416-WS – Application for staff-assisted rate case in Polk County by Plantation Landings, Ltd. (Deferred from the July 1, 2008 Commission Conference, revised recommendation filed.)

Critical Date(s): 01/02/09 (15-Month Effective Date (SARC))

Commissioners Assigned: All Commissioners

Prehearing Officer: Argenziano

Staff: ECR: Hudson, Bulecza-Banks, Fletcher, Lingo, Daniel, Redemann
GCL: Brown

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

Issue 1: Is the quality of service provided by Plantation Landings, Ltd. considered satisfactory?

Recommendation: Yes. The overall quality of service provided by Plantation Landings is satisfactory.

Issue 2: What portions of Plantation Landings, Ltd's systems are used and useful?

Recommendation: The Utility's water and wastewater treatment facilities and distribution and collection systems should be considered 100 percent used and useful.

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

Recommendation: The appropriate average test year rate base for the Utility is \$105,377 for water and \$170,190 for wastewater.

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

Recommendation: The appropriate return on equity is 12.01 percent with a range of 11.01 percent to 13.01 percent. The appropriate overall rate of return is 6.02 percent.

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

Recommendation: The appropriate amounts of test year revenues in this case are \$41,116 for the water system and \$35,864 for the wastewater system.

Issue 6: What are the appropriate test year operating expenses?

Recommendation: The appropriate amount of operating expenses for the Utility are \$54,110 for water and \$79,985 for wastewater.

Issue 7: What are the appropriate revenue requirements?

Recommendation: The appropriate revenue requirement is \$61,365 for water and \$92,792 for wastewater.

Issue 8: What are the appropriate pre-repression billing determinants for ratesetting purposes for the respective water and wastewater systems?

Recommendation: The appropriate pre-repression billing determinants for ratesetting are 5,040 ERCs and 24,329.6 kgals for the water system and 4,812 ERCs and 17,490.3 kgals for the wastewater system. The Utility should be ordered to bill all of its connections.

ITEM NO.

CASE

14 **PAA

Docket No. 070416-WS – Application for staff-assisted rate case in Polk County by Plantation Landings, Ltd. (Deferred from the July 1, 2008 Commission Conference, revised recommendation filed.)

(Continued from previous page)

Issue 9: What are the appropriate rate structures for the Utility’s water and wastewater systems?

Recommendation: The appropriate rate structure for the Utility’s water system is the base facility charge (BFC)/uniform gallonage charge rate structure. The water system’s 3 kgals allotment should be removed from the BFC, and the BFC cost recovery allocation should be set at 40 percent. The appropriate rate structure for the Utility’s wastewater system is the BFC/gallonage charge rate structure. The wastewater system’s 3 kgals allotment should be removed from the BFC, and the BFC cost recovery allocation should be set at 50 percent. The general service gallonage charge should be set at 1.2 times the corresponding residential gallonage charge. Charges for residential wastewater service should be capped at 6 kgals of billed water consumption per month.

Issue 10: Are repression adjustments appropriate in this case, and, if so, what are the appropriate adjustments to make for this Utility?

Recommendation: Yes, repression adjustments to both the water and wastewater systems are appropriate. Residential water consumption should be reduced by 10.3 percent, resulting in a consumption reduction of approximately 2,363.0 kgals. Total water consumption for ratesetting is 21,966.6 kgals. The corresponding residential wastewater consumption should be reduced by 3.9 percent, resulting in a consumption reduction of approximately 665.9 kgals. Total wastewater consumption for ratesetting is 16,824.4 kgals. The resulting water system reductions to revenue requirements are \$308 in purchased power expense, \$465 in chemicals expense and \$35 in regulatory assessment fees (RAFs). The resulting wastewater system reductions to revenue requirements are \$378 in purchased power expense, \$337 in chemicals expense, \$242 in sludge removal, and \$43 in RAFs. The post-repression revenue requirements are \$60,551 for the water system and \$91,793 for the wastewater system.

In order to monitor the effects of both the changes in revenues and rate structure, the Utility should be ordered to file 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 quarterly 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

14 **PAA

Docket No. 070416-WS – Application for staff-assisted rate case in Polk County by Plantation Landings, Ltd. (Deferred from the July 1, 2008 Commission Conference, revised recommendation filed.)

(Continued from previous page)

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

Recommendation: The appropriate monthly water rates are shown on Schedule No. 4-A of staff's memorandum dated July 17, 2008, and the appropriate monthly wastewater rates are shown on Schedule No. 4-B of staff's memorandum dated July 17, 2008. Excluding miscellaneous service revenues, the recommended water rates are designed to produce revenues of \$60,551, and the recommended wastewater rates are designed to produce revenues of \$91,793. 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.

Issue 12: Should Plantation Landings, Ltd. be ordered to show cause in writing, within 21 days, why it should not be fined for failing to bill certain customers for water and wastewater service?

Recommendation: No, a show cause proceeding should not be initiated. The Utility should, however, be put on notice that, pursuant to Sections 367.081(1) and 367.091(4), F.S., it must charge all of its customers the rates and charges approved by the Commission in its tariffs.

Issue 13: 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 and wastewater rates should be reduced, as shown on Schedules Nos. 4-A and 4-B of staff's memorandum dated July 17, 2008, 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.

ITEM NO.

CASE

14 **PAA

Docket No. 070416-WS – Application for staff-assisted rate case in Polk County by Plantation Landings, Ltd. (Deferred from the July 1, 2008 Commission Conference, revised recommendation filed.)

(Continued from previous page)

Issue 14: 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 Plantation Landings?

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, Plantation Landings 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 17, 2008. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., Plantation Landings 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.

Issue 15: Should this docket be closed?

Recommendation: No. If no person whose substantial interests are affected by the proposed agency action issues files a protest within 21 days of the issuance of the order, a Consummating Order should be issued. However, 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. When the PAA issues are final and the tariff and notice actions are complete, this docket should be closed administratively.

DECISION: The recommendations were approved.

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

ITEM NO.

CASE

15**PAA

Docket No. 080103-WS – Application for certificates to provide water and wastewater service in Hardee and Polk Counties by TBBT Utility LLC.

Critical Date(s): 07/31/08 Statutory deadline waived by utility until this date, pursuant to 367.031, Florida Statute

Commissioners Assigned: All Commissioners

Prehearing Officer: McMurrin

Staff: ECR: Johnson, Marsh, Walden

GCL: Bennett

(Proposed Agency Action for Issues, 2, 3, 4, and 5)

Issue 1: Should TBBT Utility LLC's application for water and wastewater certificates be granted?

Recommendation: Yes, TBBT Utility LLC should be granted Certificate Nos. 642-W and 552-S to serve the territory described in Attachment A of staff's memorandum dated July 17, 2008, effective the date of the Commission's vote. The resultant order should serve as TBBT's water and wastewater certificates and should be retained by the utility. Within 30 days from the date of the order approving the certificates, the utility should file an executed and recorded copy of the land lease agreement.

Issue 2: Should TBBT's proposed initial water, wastewater, and reuse rates and return on equity be approved?

Recommendation: Yes. The utility's proposed water, wastewater, and reuse rates, as shown on Schedule 4 of staff's memorandum dated July 17, 2008, should be approved. TBBT should charge the approved rates and charges until authorized to change them by this Commission in a subsequent proceeding. The rates should be effective for services rendered or connections made on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475, Florida Administrative Code. A return on equity of 12.01% with a range of plus or minus 100 basis points should be approved.

Issue 3: What are the appropriate service availability charges for TBBT Utility LLC?

Recommendation: The service availability policy and charges set forth within the analysis portion of staff's memorandum dated July 17, 2008 are appropriate and should be approved effective for connections made on or after the stamped approval date on the tariff sheets.

Issue 4: Should the utility's requested customer deposits, miscellaneous service charges, and late fee be approved?

Recommendation: Yes. The utility's requested customer deposits, miscellaneous service charges, and late fee should be approved. The deposits and charges should be effective for services rendered on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475, Florida Administrative Code.

ITEM NO.

CASE

15 **PAA

Docket No. 080103-WS – Application for certificates to provide water and wastewater service in Hardee and Polk Counties by TBBT Utility LLC.

(Continued from previous page)

Issue 5: Should an Allowance for Funds Used During Construction (AFUDC) rate be approved for TBBT?

Recommendation: Yes. An annual AFUDC rate of 9.00% and a discounted monthly rate of 0.720732% should be approved.

Issue 6: Should this docket be closed?

Recommendation: No. If no protest to the proposed agency action issues is filed by a substantially affected person within 21 days of the date of the order, a consummating order should be issued and the docket should be closed administratively upon receipt of the executed and recorded copy of the long-term lease.

DECISION: The recommendations were approved.

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

ITEM NO.

CASE

16**

Docket No. 080179-SU – Application for amendment of Certificate No. 247-S to extend wastewater service area in Lee County by North Fort Myers Utility, Inc.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Argenziano

Staff: ECR: Walden

GCL: Bennett

Issue 1: Should the Commission approve North Ft. Myers Utility, Inc.'s application for amendment of Certificate No. 247-S?

Recommendation: Yes, the Commission should approve North Ft. Myers Utility, Inc.'s amendment application to expand its territory. The proposed territory is described in Attachment A of staff's memorandum dated July 17, 2008. The resultant order should serve as North Ft. Myers Utility, Inc.'s amended certificate and it should be retained by the utility. North Ft. Myers Utility, Inc. should charge the customers in the added territory the rates and charges contained in its tariff until authorized to change by this Commission in a subsequent proceeding.

Issue 2: Should this docket be closed?

Recommendation: Yes. If the Commission approves Staff's recommendation in Issue 1, no further action is required and the docket should be closed.

DECISION: The recommendations were approved.

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

ITEM NO.

CASE

17**

Docket No. 080167-WS – Application for authority to transfer water and wastewater systems of Cal Clair, Inc. d/b/a Breeze Hill Utility to Aqua Utilities Florida, Inc., request for amendment of Aqua Utilities Florida, Inc.'s Certificate Nos. 587-W and 506-S in Polk County, to include Cal Clair, Inc. d/b/a Breeze Hill water and wastewater territory, and request for cancellation of Cal Clair, Inc. d/b/a Breeze Hill's Certificate Nos. 598-W and 513-S.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Edgar

Staff: ECR: Clapp, Kaproth, Rieger

GCL: Klancke

Issue 1: Should the transfer of the Breeze Hill systems to AUF, the amendment of AUF's Certificate Nos. 587-W and 506-S, and the cancellation of Certificate Nos. 598-W and 513-S be approved?

Recommendation: Yes. The transfer of the Breeze Hill systems to AUF is in the public interest and should be approved. Certificate Nos. 587-W and 506-S should be amended to include the Breeze Hill service area and Certificate Nos. 598-W and 513-S should be cancelled effective as of the date of the Commission vote. The resultant order should serve as AUF's water and wastewater certificates and should be retained by the buyer. The territory being transferred is described in Attachment A of staff's memorandum dated July 17, 2008. The tariff pages reflecting the transfer should be effective for services provided or connections made on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475, Florida Administrative Code.

Issue 2: Should this docket be closed?

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

DECISION: The recommendations were approved.

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

ITEM NO.

CASE

18**PAA

Docket No. 060246-WS – Application for increase in water and wastewater rates in Polk County by Gold Coast Utility Corp.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Skop

Staff: ECR: Fletcher, Bulecza-Banks

GCL: Fleming

Issue 1: What is the appropriate used and useful percentage for the Utility's water treatment plant and storage?

Recommendation: Pursuant to Rule 25-30.4325, F.A.C., Gold Coast's water treatment plant should be considered 49.14 percent used and useful, and the storage should be considered 100 percent used and useful.

Issue 2: What is the effect on the water revenue requirement approved in Order No. PSC-07-0609-PAA-WS, resulting from the revised used and useful calculation, pursuant to Rule 25-30.4325, F.A.C.?

Recommendation: Based on the used and useful percentage of 49.14 percent in accordance with Rule 25-30.4325, F.A.C., the water revenue requirement approved in Order No. PSC-07-0609-PAA-WS should be reduced by \$5,694.

Issue 3: What are the appropriate water rates?

Recommendation: The Utility's present rates should be reduced by 2.33 percent. The appropriate monthly water rates are shown on Schedule 1 of staff's memorandum dated July 17, 2008. 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 25-40.475(1), F.A.C. The rates should not be implemented until staff has approved the proposed customer notice. The Utility should provide proof of the date notice was given no less than 10 days after the date of the notice.

Issue 4: Should this docket be closed?

Recommendation: No. If no person whose substantial interests are affected by the proposed agency action issues files a protest within 21 days of the issuance of the order, a Consummating Order will be issued. However, 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. When the PAA issues are final and the tariff and notice actions are complete, this docket may be closed administratively.

DECISION: The recommendations were approved.

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

ITEM NO.

CASE

19**

Docket No. 080213-WU – Application for amendment of Certificate 636-W to extend water service area in Highlands County by Silver Lake Utilities, Inc.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Edgar

Staff: ECR: Redemann

GCL: Fleming

Issue 1: Should the Commission approve the application to amend Certificate No. 636-W in Highlands County by Silver Lake Utilities, Inc.?

Recommendation: Yes, the Commission should approve Silver Lake Utilities, Inc.'s amendment application to expand its territory. The proposed territory amendment is described in Attachment A of staff's memorandum dated July 17, 2008. The resultant order should serve as Silver Lake Utilities, Inc.'s amended certificate and it should be retained by the utility. Silver Lake Utilities, Inc. should charge the customers in the added territory the rates and charges contained in its tariff until authorized to change by this Commission in a subsequent proceeding. Within 90 days from the date of the order approving certificate, the applicant should submit an executed and recorded lease agreement for the land for the existing wells.

Issue 2: Should this docket be closed?

Recommendation: No. The docket should remain open to allow the utility time to file the executed and recorded copy of the long-term lease. The docket should be closed administratively upon receipt of the executed and recorded copy of the long-term lease.

DECISION: The recommendations were approved.

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

ITEM NO.

CASE

20

Docket No. 080121-WS – Application for increase in water and wastewater rates in Alachua, Brevard, DeSoto, Highlands, Lake, Lee, Marion, Orange, Palm Beach, Pasco, Polk, Putnam, Seminole, Sumter, Volusia, and Washington Counties by Aqua Utilities Florida, Inc.

Critical Date(s): 07/29/08 (60-Day Suspension Date - As Extended by the Utility)

Commissioners Assigned: All Commissioners

Prehearing Officer: Edgar

Staff: ECR: Fletcher, Billingslea, Bruce, Bulecza-Banks, Deason, Hall, Hudson, Kyle, Lingo, Maurey, Mouring, Roberts, Springer, Stallcup, Wright

GCL: Jaeger, Fleming, Klancke, Saylor

(Participation is at the discretion of the Commission.)

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

Recommendation: Yes. The Utility's proposed final water and wastewater rates should be suspended.

Issue 2: Should the Commission's approve the Utility's capped interim rate methodology?

Recommendation: Yes. As discussed in the case background, the Utility's has proposed to cap interim rates at approximately the level of the final rates for the requested consolidated rate structure. Delaying full implementation of the interim increase and extending the payment period without interest will benefit some customers and cause no harm to others Some customers would receive the benefit of having to pay interim rates at a much later date without interest (and over a two-year period) and would not be subjected to what could have been a significantly larger initial interim rate increase.

Issue 3: Should any interim revenue increase be approved?

Recommendation: Yes. The appropriate interim revenue requirements are as shown on Attachment A of staff's memorandum dated July 18, 2008.

Issue 4: What are the appropriate interim water and wastewater rates?

Recommendation: The appropriate respective system interim rates should be the lower of staff's uncapped calculated rates or the Utility's capped rates as shown on Schedules No. 4-A and 4-B of staff's memorandum dated July 18, 2008 for water and wastewater, respectively. The approved rates should be effective for service rendered as of the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1)(a), Florida Administrative Code (F.A.C.), provided customers have received notice. The rates should not be implemented until staff verifies that the tariff sheets are consistent with the Commission decision, the proposed customer notice is adequate, and the required security has been filed. The Utility should provide proof of the date notice was given within 10 days after the date of notice.

ITEM NO.

CASE

20 **PAA

Docket No. 080121-WS – Application for increase in water and wastewater rates in Alachua, Brevard, DeSoto, Highlands, Lake, Lee, Marion, Orange, Palm Beach, Pasco, Polk, Putnam, Seminole, Sumter, Volusia, and Washington Counties by Aqua Utilities Florida, Inc.

(Continued from previous page)

Issue 5: What is the appropriate security to guarantee the interim increase?

Recommendation: A corporate undertaking is an acceptable security contingent upon receipt of the written guarantee of the parent company, Aqua America, Inc. (Aqua or AAI), and written confirmation that Aqua will not assume outstanding guarantees on behalf of AAI-owned utilities in other states in excess of \$55 million (inclusive of AUF). Aqua should be required to file a corporate undertaking on behalf of its subsidiaries to guarantee any potential refunds of revenues collected under interim conditions. Aqua's total guarantee should be an amount of \$3,222,973 ~~2,480,622~~. 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 6: Should this docket be closed?

Recommendation: No. The docket should remain open pending the Commission's final action on the Utility's requested rate increase.

DECISION: The recommendations were approved as modified at the Commission Conference Agenda. The Commission approved withdrawal of the Chuluota water and wastewater systems from consideration for interim rates. Therefore, no interim increase was approved for those two systems.

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