

**MINUTES OF June 5, 2007**

**COMMISSION CONFERENCE**

**COMMENCED:** 9:50 a.m.  
**ADJOURNED:** 11:00 a.m.  
**COMMENCED:** 11:20 a.m.  
**ADJOURNED:** 12:15 p.m.  
**COMMENCED:** 12:35 p.m.  
**ADJOURNED:** 12:36 p.m.  
**COMMENCED:** 1:25 p.m.  
**ADJOURNED:** 2:30 p.m.

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

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

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1

**Approval of Minutes**  
May 8, 2007, Regular Commission Conference

DECISION: The minutes were approved.

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

**ITEM NO.**

**CASE**

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2\*\*

**Consent Agenda**

PAA

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

DOCKET NO.

COMPANY NAME

070294-TX

VoTTs Communications, LLC

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

**DECISION:** The recommendation was approved.

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

**ITEM NO.**

**CASE**

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3\*\*PAA

**Docket No. 070136-TI** – Acknowledgment of cancellation of IXC Registration No. TJ656 by Line 1 Communications, LLC d/b/a Direct Line Communications, effective March 1, 2007.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Administrative

**Staff:** CMP: Isler

GCL: McKay

**Issue 1:** Should the Commission deny Line 1 Communications, LLC d/b/a Direct Line Communications, a voluntary cancellation of its IXC tariff and Registration No. TJ656 and cancel the tariff and remove the company's name from the register on the Commission's own motion with an effective date of March 1, 2007?

**Recommendation:** Yes. The company should be denied a voluntary cancellation as listed on Attachment A on staff's May 23, 2007, memorandum.

ITEM NO.

CASE

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3\*\*PAA

**Docket No. 070136-TI** – Acknowledgment of cancellation of IXC Registration No. TJ656 by Line 1 Communications, LLC d/b/a Direct Line Communications, effective March 1, 2007.

(Continued from previous page)

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

**Recommendation:** Staff recommends that 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 the company fails to timely file a protest and to request a Section 120.57, Florida Statutes, hearing, the facts should be deemed admitted and the right to a hearing waived. If the company pays the Regulatory Assessment Fees prior to the expiration of the Proposed Agency Action Order, then the cancellation of the company's tariff and the removal of its name from the register will be voluntary. If the company fails to pay the Regulatory Assessment Fees prior to the expiration of the Proposed Agency Action Order, then the company's IXC tariff should be cancelled administratively and its name removed from the register, and the collection of the past due Regulatory Assessment Fees should be referred to the Florida Department of Financial Services for further collection efforts. If the company's IXC tariff is cancelled and its name removed from the register in accordance with the Commission's Order from this recommendation, the company should be required to immediately cease and desist providing intrastate interexchange telecommunications service in Florida. This docket should be closed administratively either upon receipt of the payment of the Regulatory Assessment Fees or upon cancellation of the company's IXC tariff and removal of its name from the register.

**DECISION:** The recommendations were approved.

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

**ITEM NO.**

**CASE**

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4\*\*PAA

**Docket No. 070189-TI** – Acknowledgment of cancellation of IXC Registration No. TJ517 by Quick Tel, Inc., effective March 26, 2007.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Administrative

**Staff:** CMP: Isler

GCL: McKay

**Issue 1:** Should the Commission deny Quick Tel, Inc., a voluntary cancellation of its IXC tariff and Registration No. TJ517 and cancel the tariff and remove the company's name from the register on the Commission's own motion with an effective date of March 26, 2007?

**Recommendation:** Yes. The company should be denied a voluntary cancellation as listed on Attachment A on staff's May 23, 2007, memorandum.

ITEM NO.

CASE

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4\*\*PAA

**Docket No. 070189-TI** – Acknowledgment of cancellation of IXC Registration No. TJ517 by Quick Tel, Inc., effective March 26, 2007.

(Continued from previous page)

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

**Recommendation:** Staff recommends that 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 the company fails to timely file a protest and to request a Section 120.57, Florida Statutes, hearing, the facts should be deemed admitted and the right to a hearing waived. If the company pays the Regulatory Assessment Fees prior to the expiration of the Proposed Agency Action Order, then the cancellation of the company's tariff and the removal of its name from the register will be voluntary. If the company fails to pay the Regulatory Assessment Fees prior to the expiration of the Proposed Agency Action Order, then the company's IXC tariff should be cancelled administratively and its name removed from the register, and the collection of the past due Regulatory Assessment Fees should be referred to the Florida Department of Financial Services for further collection efforts. If the company's IXC tariff is cancelled and its name removed from the register in accordance with the Commission's Order from this recommendation, the company should be required to immediately cease and desist providing intrastate interexchange telecommunications service in Florida. This docket should be closed administratively either upon receipt of the payment of the Regulatory Assessment Fees or upon cancellation of the company's IXC tariff and removal of its name from the register.

**DECISION:** The recommendations were approved.

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

**ITEM NO.**

**CASE**

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5\*\*PAA

**Docket No. 070141-TC** – Request for cancellation of PATS Certificate No. 7070 by Whitney-Phillips-T.R.F., Inc., effective March 5, 2007.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Administrative

**Staff:** CMP: Isler

GCL: McKay

**Issue 1:** Should the Commission deny Whitney-Phillips-T.R.F., Inc., a voluntary cancellation of its Pay Telephone Certificate No. 7070 and cancel the certificate on the Commission's own motion with an effective date of March 5, 2007?

**Recommendation:** Yes. The company should be denied a voluntary cancellation as listed on Attachment A of staff's May 23, 2007, memorandum.

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

**Recommendation:** Staff recommends that 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 the company fails to timely file a protest and to request a Section 120.57, Florida Statutes, hearing, the facts should be deemed admitted and the right to a hearing waived. If the company pays the Regulatory Assessment Fees prior to the expiration of the Proposed Agency Action Order, then the cancellation of the company's pay telephone company certificate will be voluntary. If the company fails to pay the Regulatory Assessment Fees prior to the expiration of the Proposed Agency Action Order, then the company's pay telephone company certificate should be cancelled administratively, and the collection of the past due Regulatory Assessment Fees should be referred to the Florida Department of Financial Services for further collection efforts. If the company's pay telephone company certificate is cancelled in accordance with the Commission's Order from this recommendation, the company should be required to immediately cease and desist providing pay telephone service in Florida. This docket should be closed administratively either upon receipt of the payment of the Regulatory Assessment Fees or upon cancellation of the company's pay telephone company certificate.

**DECISION:** The recommendations were approved.

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

**ITEM NO.**

**CASE**

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6\*\*

**Docket No. 070260-GU** – Petition for approval of standby generator rate schedules RS-SG and CS-SG, by Peoples Gas System.

**Critical Date(s):** 06/13/07 (60-day suspension date)

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Administrative

**Staff:** ECR: Draper

GCL: Fleming

**Issue 1:** Should the Commission approve Peoples' proposed generator rate schedules?

**Recommendation:** Yes.

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

**Recommendation:** Yes. If Issue 1 is approved, this tariff should become effective on June 5, 2007. If a protest is filed within 21 days of the issuance of the order, this tariff should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order.

**DECISION:** The recommendations were approved.

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



**ITEM NO.**

**CASE**

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7\*\*

**Docket No. 070246-EG** – Petition for approval of energy conservation programs, by Indiantown Gas Company.

**Critical Date(s):** 06/05/07 (Utility waived 60-day suspension date until this date.)

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Administrative

**Staff:** ECR: Brown, Baxter

GCL: Fleming

**Issue 1:** Should the Commission approve Indiantown Gas Company's petition to offer energy conservation programs?

**Recommendation:** Yes. The proposed Residential New Construction, Residential Appliance Replacement and Residential Appliance Retention Programs are cost effective. By allowing Indiantown to offer these residential ECCR programs, customers should see energy savings by purchasing energy-efficient natural gas appliances. Customers will also receive rebates for their purchase of the new appliances. Indiantown should also be allowed to offer the Conservation Education Program because the program is designed to teach consumers about conservation measures designed to reduce energy consumption and consequently reduce their energy bills.

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

**Recommendation:** Yes. If Issue 1 is approved, this tariff should become effective on June 5, 2007. If a protest is filed within 21 days of the issuance of the order, this tariff should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order.

**DECISION:** The recommendations were approved.

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

**ITEM NO.**

**CASE**

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8

**Docket No. 070098-EI** – Petition for determination of need for Glades Power Park Units 1 and 2 electrical power plants in Glades County, by Florida Power & Light Company.

**Critical Date(s):** 06/16/07 (135 day deadline for final decision per statute.)

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Carter

**Staff:** ECR: Ballinger, Bulecza-Banks, Colson, Hewitt, Matlock, Maurey, Springer, Windham

GCL: Brubaker, Fleming, Holley

**Issue 1:** Is there a need for the proposed generating units, taking into account the need for electric system reliability and integrity, as this criterion is used in Section 403.519, Florida Statutes?

**Recommendation:** Yes. Based upon a 20% reserve margin criterion, FPL has demonstrated a reliability need in the years 2013 and 2014. FPL relies upon a 20% reserve margin as a planning criterion pursuant to a stipulation that was approved by the Commission in 1999. As discussed in Issue 7, FPL has also demonstrated a reliability need for the years 2014 and 2015 based on a 15% planning reserve margin.

DECISION: The recommendation was moot.

**Issue 2:** Is there a need for the proposed generating units, taking into account the need for adequate electricity at a reasonable cost, as this criterion is used in Section 403.519, Florida Statutes?

**Recommendation:** Yes. If solid fuel plants are to be considered, then the most cost-effective unit of that type must be selected. When site-specific conditions were considered, the FGPP unit is projected to have lower capital and operating costs (20% to 35%) than a comparable IGCC unit. In addition, the emission rates for the FGPP and an Integrated Coal Gasification Combined Cycle (IGCC) were projected to be similar. The FGPP is also projected to meet all current environmental emission requirements. Therefore, the FGPP was selected as the solid fuel generating option when FPL performed more detailed system revenue requirement analyses that compared coal to natural gas generating facilities. The system revenue requirement analyses are discussed in Issue 7.

DECISION: The recommendation was moot.

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**Docket No. 070098-EI** – Petition for determination of need for Glades Power Park Units 1 and 2 electrical power plants in Glades County, by Florida Power & Light Company.

(Continued from previous page)

**Issue 3:** Is there a need for the proposed generating units, taking into account the need for fuel diversity and supply reliability, as this criterion is used in Section 403.519, Florida Statutes?

**Recommendation:** Yes. Without the FGPP units, FPL's reliance on natural gas generation will increase to over 70% by the year 2016. By contrast, Tampa Electric Company and Progress Energy Florida, Inc. project more moderate dependence on natural gas, approximately 33% and 38% respectively. Without the FGPP units, FPL's dependence on natural gas would continue to rise until the years 2018 and 2019, assuming the addition of nuclear generating units in those years.

DECISION: The recommendation was moot.

**Issue 4:** Are there any conservation measures taken by or reasonably available to Florida Power & Light Company which might mitigate the need for the proposed generating units?

**Recommendation:** No. Since 1980 through 2005, FPL has implemented approximately 3,519 MW of savings from its Demand-Side Management (DSM) programs. For the time period 2006 through 2015, FPL has modified its current Commission-approved DSM goals of 802 MW to include an additional 564 MW, thereby increasing its DSM summer peak demand reduction by 1,366 MW. FPL has also included a 1,256 MW reduction to its system reliability assessment for the effect of the new energy efficiency standards mandated by the 2005 Energy Policy Act. Even after consideration of such conservation and DSM efforts, FPL has a capacity need of 1,194 MW in 2013. No cost-effective DSM or conservation measures have been identified that would mitigate the need for the proposed generating units.

DECISION: The recommendation was moot.

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**Docket No. 070098-EI** – Petition for determination of need for Glades Power Park Units 1 and 2 electrical power plants in Glades County, by Florida Power & Light Company.

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**Issue 5:** Has FPL appropriately evaluated the cost of CO<sub>2</sub> emission mitigation costs in its economic analysis?

**Recommendation:** Yes. FPL considered four cases of possible CO<sub>2</sub> emission mitigation costs that covered a range from no mitigation cost to a high emission cost estimate. The forecasts provided by FPL mimic the Sierra Club's forecasts when adjusted to remove outdated data.

DECISION: The recommendation was moot.

**Issue 6:** Do the proposed FGPP generating units include the costs for the environmental controls necessary to meet current state and federal environmental requirements, including mercury, NO<sub>x</sub>, SO<sub>2</sub>, and particulate emissions?

**Recommendation:** Yes. FPL included estimates of emission allowance costs for SO<sub>2</sub>, NO<sub>x</sub>, and mercury under the federal Clean Air Interstate Rule (CAIR) and Clean Air Mercury Rule (CAMR). However, the Best Available Control Technology (BACT) controls for the FGPP units have not been determined and the regulations for phase II of the CAIR and CAMR regulations, which take effect in 2018, have not been finalized at this time.

DECISION: The recommendation was moot.

**Issue 7:** Are the proposed generating units the most cost-effective alternative available, as this criterion is used in Section 403.519, Florida Statutes?

**Primary Recommendation:** Yes. The proposed FGPP is the most cost-effective alternative to meet the reliability and fuel diversity needs of FPL. The addition of natural gas generating units to the FPL system does not address the strategic benefit of fuel diversity. Therefore, the need for the FGPP is driven more by the need for fuel diversity on FPL's system than by simple economics. Such a strategic benefit is difficult to quantify and must be thought of more as a long-term insurance program rather than purely an economic decision.

As a condition of approval, Staff recommends that the Commission require FPL to continue monitoring the cost-effectiveness of the FGPP. FPL should report to the Commission annual budgeted and actual costs associated with the construction of the FGPP. In addition, the report should include FPL's cost-effectiveness evaluation regarding the continued construction of the FGPP. This report should be filed by April 1 of each year. Providing this information on an annual basis will allow the Commission to monitor the cost-effectiveness regarding the continued construction of the FGPP. Staff's recommendation that FPL should continue to monitor the cost-effectiveness of the FGPP

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CASE

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**Docket No. 070098-EI** – Petition for determination of need for Glades Power Park Units 1 and 2 electrical power plants in Glades County, by Florida Power & Light Company.

(Continued from previous page)

and report annual budgeted and actual costs is not intended to prejudice any matters which will be addressed in the bifurcated docket.

DECISION: The recommendation was moot.

**1<sup>st</sup> Alternative Recommendation:** No. If the Commission believes that natural gas prices will moderate in the future, then the Commission should deny the need for the FGPP. FPL would still have time to construct additional gas-fired generation in order to meet a 2013-2014 reliability need. As discussed in Issue 3, such action would increase FPL's reliance on natural gas generation to over 70% by the year 2016. However, capital costs are lower and adverse environmental impacts are less than coal.

DECISION: The recommendation was moot.

**2<sup>nd</sup> Alternative Recommendation:** No, not at this time. The Commission should find that a 15% planning reserve margin is adequate to maintain system reliability and integrity on the FPL system. Based on a 15% planning reserve margin, FPL has demonstrated the need for additional generating capacity (1,970 MW) to reliably meet its projected system load growth in the 2014 and 2015 time frame. The Commission should initiate a generic proceeding to address the current stipulation with FPL, PEF, and TECO to maintain a 20% reserve margin.

Because of the uncertainty associated with (1) natural gas and coal prices, (2) pending legislation for the regulation of CO2 emissions at the State and Federal level, and (3) the cost impacts of CO2 regulation, the cost-effectiveness of FGPP cannot be determined with a high degree of confidence at this time. Staff recommends that the Commission defer the final determination of need for FGPP and require FPL to provide up-dated cost-benefit information in a June 2008 proceeding, based on State and Federal energy policy in existence at that time. During this continuation, FPL should continue to aggressively pursue cost-effective conservation and renewable generation.

DECISION: The recommendation was moot.

ITEM NO.

CASE

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8

**Docket No. 070098-EI** – Petition for determination of need for Glades Power Park Units 1 and 2 electrical power plants in Glades County, by Florida Power & Light Company.

(Continued from previous page)

**Issue 8:** Based on the resolution of the forgoing issues, should the Commission grant FPL's petition to determine the need for the proposed generating units?

**Primary Recommendation:** Yes. The proposed FGPP is the most cost-effective alternative to meet the reliability and fuel diversity needs of FPL.

As condition of approval, Staff recommends that the Commission require FPL to continue monitoring the cost-effectiveness of the FGPP. FPL should report to the Commission annual budgeted and actual costs associated with the construction of the FGPP. In addition, the report should include FPL's cost-effectiveness evaluation regarding the continued construction of the FGPP. This report should be filed by April 1 of each year. Providing this information on an annual basis will allow the Commission to monitor the cost-effectiveness regarding the continued construction of the FGPP. Staff's recommendation that FPL should continue to monitor the cost-effectiveness of the FGPP and report annual budgeted and actual costs is not intended to prejudice any matters which will be addressed in the bifurcated docket.

**DECISION:** The recommendation was denied.

**1<sup>st</sup> Alternative Recommendation:** No. ~~If the Commission believes that natural gas prices will moderate in the future, then~~ The Commission should deny the need for the FGPP.

**DECISION:** The recommendation was approved based on the analysis of record and the discussion at the conferenc.

**2<sup>nd</sup> Alternative Recommendation:** No, not at this time. The Commission should find that a 15% planning reserve margin is adequate to maintain system reliability and integrity on the FPL system. Based on a 15% planning reserve margin, FPL has demonstrated the need for additional generating capacity (1,970 MW) to reliably meet their projected system load growth in the 2014 and 2015 time frame. The Commission should initiate a generic proceeding to address the current stipulation with FPL, PEF, and TECO to maintain a 20% reserve margin.

Because of the uncertainty associated with (1) natural gas and coal prices, (2) pending legislation for the regulation of CO2 emissions at the State and Federal level, and (3) the cost impacts of CO2 regulation, the cost-effectiveness of FGPP can not be determined with a high degree of confidence at this time. Staff recommends that the Commission defer the final determination of need for FGPP and require FPL to provide up-dated cost-benefit information in a June 2008 proceeding, based on State and Federal

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CASE

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**Docket No. 070098-EI** – Petition for determination of need for Glades Power Park Units 1 and 2 electrical power plants in Glades County, by Florida Power & Light Company.

(Continued from previous page)

energy policy in existence at that time. During this continuation, FPL should continue to aggressively pursue cost-effective conservation and renewable generation.

DECISION: The recommendation was denied.

**Issue 9:** Should this docket be closed?

**Recommendation:** If the Commission approves staff's primary or 1<sup>st</sup> Alternative recommendation, the docket should be closed once the time for filing an appeal has expired. If the Commission approves the 2<sup>nd</sup> Alternative Recommendation, the docket should remain open to allow additional time for the maturation of statewide energy policy, to update information regarding natural gas and coal price forecasts and the impact of future carbon regulation on solid fuel technology, and to schedule additional proceedings associated with the updated information.

DECISION: The recommendation was approved.

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

**ITEM NO.**

**CASE**

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9\*\*

**Docket No. 070291-EI** – Petition for permanent approval of a performance guaranty agreement, including approval of first revised Tariff Sheet No. 9.946 by Florida Power & Light Company.

**Critical Date(s):** 07/01/07 (60-day suspension date)

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Administrative

**Staff:** ECR: Kummer

GCL: Brubaker

**Issue 1:** Should the Commission approve FPL's petition to make the pilot PGA a permanent offering?

**Recommendation:** Yes. The Commission should make the pilot Performance Guaranty Agreement (PGA) a permanent offering and discontinue the annual reporting requirements specified in Order No. PS C-04-0406-TRF-EI.

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

**Recommendation:** Yes. If Issue 1 is approved, the revised tariff should become effective June 5, 2007. If a protest is filed within 21 days of the issuance of the order, this revised tariff should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order.

**DECISION:** The recommendations were approved.

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



**ITEM NO.**

**CASE**

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10\*\*PAA

**Docket No. 060638-EI** – Petition for approval of storm cost recovery surcharge to recover costs associated with mandatory storm preparedness initiatives, by Florida Public Utilities Company.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Administrative

**Staff:** ECR: Lewis, Bulecza-Banks, Kummer, Lee, Slemkewicz

GCL: Gervasi

**Issue 1:** Should the Commission grant one of the methods included in FPUC's October 27, 2006, amended petition for recovery of the costs of implementing storm preparedness initiatives?

**Recommendation:** Yes. The Commission should grant the alternative method proposed by FPUC in its October 27, 2006, amended petition to temporarily defer, with interest at the commercial paper rate, the cost of compliance with the storm preparedness initiatives mandated by the Commission in Order No. PSC-06-0351-PAA-EI. The deferred costs should be recorded in Account 186, Miscellaneous Deferred Debits, pending the determination of the final disposition of those deferred costs.

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

**Recommendation:** Yes. If no protest is filed within 21 days of the proposed agency action order by a person whose interests are substantially affected, no further action will be required and this docket should be closed upon the issuance of a consummating order.

**DECISION:** This item was deferred.

**ITEM NO.**

**CASE**

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11\*\*

**Docket No. 060256-SU** – Application for increase in wastewater rates in Seminole County by Alafaya Utilities, Inc.

**Critical Date(s):** 11/08/07 (8-month effective date)

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Administrative

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

GCL: Jaeger

**Issue 1:** Should the Commission approve the Joint Motion Requesting Commission Approval of Settlement Agreement?

**Recommendation:** Yes. The Joint Motion and Settlement Agreement should be approved. The final rates produced by the Settlement Agreement are shown in Attachment B of staff's May 23, 2007, memorandum. Attachment B also shows the four-year rate reduction to the settlement rates. The utility should file a proposed customer notice and revised tariff sheets within 15 days of the Commission vote, which is consistent with the Commission's decision. The approved rates should be effective for service rendered on or after the stamped approval date of the tariff, pursuant to Rule 25-30.475(1), F.A.C., after staff has verified that the proposed customer notice is adequate and the notice has been provided to the customers. The utility should provide proof that the customers have received notice within 10 days after the date of the notice. Pursuant to the Settlement Agreement, the refund amount to be credited to CIAC should be 0.427% of revenues collected from April 12, 2007, through the day before the settlement rates become effective. The refund amount should include interest, in accordance with Rule 25-30.360(4), F.A.C.

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

**Recommendation:** Yes. If the Commission approves staff's recommendation in Issue 1, this docket should be closed upon the issuance of the final order approving the Parties' Settlement Agreement. Further, upon the issuance of the final order approving the Parties' Settlement Agreement, staff recommends the corporate undertaking amounts approved by the Commission for interim and PAA rates should be released.

**DECISION:** The recommendations were approved.

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

**ITEM NO.**

**CASE**

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12\*\*

**Docket No. 060258-WS** – Application for increase in water and wastewater rates in Seminole County by Sanlando Utilities Corp.

**Critical Date(s):** 11/27/07 (8-month effective date)

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Administrative

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

GCL: Brubaker

**Issue 1:** Should the Commission approve the Joint Motion Requesting Commission Approval of Settlement Agreement?

**Recommendation:** Yes. The Joint Motion and Settlement Agreement should be approved. The utility should file a proposed customer notice and revised tariff sheets within 15 days of the Commission vote, which is consistent with the Commission's decision. The approved rates should be effective for service rendered on or after the stamped approval date of the tariff, pursuant to Rule 25-30.475(1), F.A.C., after staff has verified that the proposed customer notice is adequate and the notice has been provided to the customers. The utility should provide proof that the customers have received notice within 10 days after the date of the notice.

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

**Recommendation:** Yes. If the Commission approves staff's recommendation in Issue 1, this docket should be closed upon the issuance of the final order approving the Parties' Settlement Agreement. Further, upon the issuance of the final order approving the Parties' Settlement Agreement, staff recommends the corporate undertaking amount approved by the Commission for interim rates and the bond or escrow agreement for the implementation of PAA rates should both be released.

**DECISION:** The recommendations were approved.

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

**ITEM NO.**

**CASE**

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13\*\*

**Docket No. 060260-WS** – Application for increase in water and wastewater rates in Highlands County by Lake Placid Utilities, Inc.

**Critical Date(s):** 12/24/07 (8-month effective date)

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Administrative

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

GCL: Fleming

**Issue 1:** Should the Commission approve the Joint Motion Requesting Commission Approval of Settlement Agreement?

**Recommendation:** Yes. The Joint Motion and Settlement Agreement should be approved. The utility should file a proposed customer notice and revised tariff sheets within 15 days of the Commission vote, which is consistent with the Commission's decision. The approved rates should be effective for service rendered on or after the stamped approval date of the tariff, pursuant to Rule 25-30.475(1), Florida Administrative Code, after staff has verified that the proposed customer notice is adequate and the notice has been provided to the customers. The utility should provide proof that the customers have received notice within 10 days after the date of the notice.

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

**Recommendation:** Yes. If the Commission approves staff's recommendation in Issue 1, this docket should be closed upon the issuance of the final order approving the Parties' Settlement Agreement.

**DECISION:** The recommendations were approved.

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

**ITEM NO.**

**CASE**

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14\*\*

**Docket No. 060261-WS** – Application for increase in water and wastewater rates in Lake County by Utilities, Inc. of Pennbrooke.

**Critical Date(s):** 10/21/07 (8-month effective date)

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Administrative

**Staff:** ECR: Fletcher, Bulecza-Banks, Lingo, Rendell  
GCL: Brubaker

**Issue 1:** Should the Commission approve the Joint Motion Requesting Commission Approval of Settlement Agreement?

**Recommendation:** Yes. The Joint Motion and Settlement Agreement should be approved. The final water and wastewater rates produced by the Settlement Agreement are shown in Attachment B and Attachment C of staff's May 23, 2007, memorandum, respectively. These attachments also show the four-year rate reduction to the settlement water and wastewater rates. The utility should file a proposed customer notice and revised tariff sheets within 15 days of the Commission vote, which is consistent with the Commission's decision. The approved rates should be effective for service rendered on or after the stamped approval date of the tariff, pursuant to Rule 25-30.475(1), F.A.C., after staff has verified that the proposed customer notice is adequate and the notice has been provided to the customers. The utility should provide proof that the customers have received notice within 10 days after the date of the notice.

**Issue 2:** What is the appropriate refund for the wastewater interim rate increase and for the implementation of water and wastewater PAA rates?

**Recommendation:** If the Commission approves staff's recommendation in Issue 1, the appropriate interim rate refund is 4.84% of wastewater revenues collected under interim rates. The appropriate PAA rate refunds are 6.49% and 5.08% of water and wastewater revenues, respectively. In accordance with Rule 25-30.360(4), F.A.C., the refund amount should include interest. Pursuant to the Settlement Agreement, the refund amount should be credited to CIAC.

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

**Recommendation:** Yes. If the Commission approves staff's recommendation in Issue 1, this docket should be closed upon the issuance of the final order approving the Parties' Settlement Agreement. Further, upon the issuance of the final order approving the Parties' Settlement Agreement, staff recommends the corporate undertaking amounts approved by the Commission for interim and PAA rates should be released.

**DECISION:** The recommendations were approved.

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

**ITEM NO.**

**CASE**

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15\*\*PAA

**Docket No. 070146-WS** – Emergency complaint of Pasco Health Investors, LLC against Aloha Utilities for apparent violation of Sections 367.081 and 367.101, F.S.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** McMurrin

**Staff:** ECR: Fletcher, Rendell

GCL: Gervasi, Holley

**(All issues proposed agency action except for Issue 2.)**

**Issue 1:** Should the Commission acknowledge Pasco Health Investors, LLC's Notice of Voluntary Dismissal?

**Recommendation:** Yes. The Commission should acknowledge Pasco Health Investors, LLC's Notice of Voluntary Dismissal.

**Issue 2:** Should the Commission approve the Special Service Availability Agreement between Aloha Utilities, Inc. and Pasco Health Investors, LLC?

**Recommendation:** Yes. The Commission should approve the Special Service Availability Agreement between Aloha Utilities, Inc. and Pasco Health Investors, LLC. The Special Service Availability Agreement should become effective upon the date of the Commission's vote.

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

**Recommendation:** Yes. If no timely protest is filed, the docket should be closed upon the issuance of a Consummating Order because no further action is required. If a protest is filed within 21 days of the issuance of the Commission's Order regarding the Agreement, another docket should be opened to address that protest.

DECISION: The recommendations were approved.

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