MINUTES OF March 18, 2008
COMMISSION CONFERENCE
COMMENCED: 9:35 a.m.
ADJOURNED: 10:55 a.m.
COMMENCED: 11:10 a.m.
ADJOURNED: 12:05 p.m.
COMMENCED: 12:20 p.m.
ADJOURNED: 12:50 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** 

January 29, 2008 Regular Commission Conference February 12, 2008 Regular Commission Conference

**<u>DECISION</u>**: The minutes were approved.

ITEM NO.	CASE		
2**	Consent Agenda		
PAA	A) Requests for cancellation of competitive local exchange telecommunications certificates.		
	DOCKET NO.	COMPANY NAME	EFFECTIVE DATE
	070725-TX	Computer Network Technology Corporation	12/14/2007
	080022-TX	American Telecharge, Inc.	12/20/2007
PAA	B) Application for c service.	B) Application for certificate to provide competitive local exchange telecommunications service.	
	DOCKET NO.	COMPANY NAME	=
	070709-TX	Credicall USA Inc	

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

<u>DECISION</u>: The recommendation was approved.

ITEM NO. CASE

3\*\*

**Docket No. 080052-OT** – Proposed amendment of Rules 25-6.0436, Depreciation; 25-7.045, Depreciation; 25-30.032, Applications; 25-30.565, Application for Approval of New or Revised Service Availability Policy or Charges; 25-30.140, Depreciation; 25-24.470, Registration Required; 25-24.511, Application for Certificate; 25-24.512, Application for Approval of Sale, Assignment or Transfer of Certificate; 25-24.567, Application for Certificate; 25-24.569, Application for Approval of Sale, Assignment or Transfer of Certificate; 25-24.720, Application for Certificate; 25-24.810, Application for Certificate; and 25-24.815, Application for Approval of Assignment or Transfer of Certificate.

Critical Date(s): Proposal May Be Deferred

**Rule Status:** Proposed

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Argenziano

Staff: GCL: Miller, Cibula

CMP: Kennedy ECR: Hewitt

<u>Issue 1</u>: Should the Commission propose the amendment of Rules 25-6.0436, 25-7.045, 25-24.470, 25-24.511, 25-24.512, 25-24.567, 25-24.569, 25-24.720, 25-24.730, 25-24.810, 25-24.815, 25-30.032, 25-30.140, and 25-30.565, F.A.C.?

**Recommendation:** Yes. The Commission should propose the amendment of these rules and the forms incorporated by reference into the rules as set forth in Attachments A and B of staff's memorandum dated March 6, 2008.

<u>Issue 2</u>: Should this docket be closed?

**Recommendation:** Yes, if no requests for hearing or comments are filed, the rule amendments as proposed should be filed for adoption with the Secretary of State and the docket should be closed.

<u>DECISION</u>: The recommendations were approved.

4

**Docket No. 080035-EU** – Petition for declaratory statement concerning rights under Rule 25-6.115, F.A.C. by Town of Palm Beach, Town of Jupiter Island, and Town of Jupiter Inlet Colony.

Critical Date(s): April 9, 2008 (Final order must be issued by this date)

**Commissioners Assigned:** All Commissioners **Prehearing Officer:** Administrative

Staff: GCL: Bellak, Gervasi

ECR: Kummer

**Issue 1**: Should FPL's Petition to Intervene be granted?

**Recommendation:** Yes, FPL's Petition to Intervene should be granted.

<u>DECISION</u>: The recommendation was approved.

<u>Issue 2</u>: Should the towns' motion for leave to address the Commission be granted? <u>Recommendation:</u> Yes, the motion for leave to address the Commission should be granted.

DECISION: The recommendation was approved.

<u>Issue 3</u>: Should the towns' Petition for Declaratory Statement be granted? **Recommendation:** No, the Petition for Declaratory Statement should be denied.

<u>DECISION</u>: On Requested Statements 1, 2, and 3, staff's recommendation is approved. Requested Statement 4 is deferred for further staff review. The docket is to remain open.

ITEM NO. CASE

5\*\*

**Docket No. 070560-TI** – Compliance investigation of Virtual Reach Corporation for apparent violation of Rules 25-24.470, F.A.C., Registration Required, and 25-22.032(6)(b), F.A.C., Customer Complaints.

Critical Date(s): None

**Commissioners Assigned:** All Commissioners **Prehearing Officer:** Administrative

Staff: GCL: McKay, Poblete

CMP: Watts

<u>Issue 1</u>: Should the Commission dismiss Virtual Reach's protest of PAA Order No. PSC-07-0808-PAA-TI?

**Recommendation:** Yes. The Commission should dismiss Virtual Reach's protest of PAA Order No. PSC-07-0808-PAA-TI. Additionally, staff recommends that PAA Order No. PSC-07-0808-PAA-TI, be reinstated and consummated as a Final Order.

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

**Recommendation:** If the Commission approves staff's recommendation on Issue I, Virtual Reach should make payment of the penalties and provide the documentation required by PAA Order No. PSC-07-0808-PAA-TI, within fourteen calendar days after the issuance of the Commission's Order from this recommendation. This docket should be closed administratively upon either receipt of the payment of the penalties and the required documentation, or upon the referral of the penalties to the Department of Financial Services.

DECISION: The recommendations were approved.

6

**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.

Critical Date(s): None

Commissioners Assigned: All Commissioners

**Prehearing Officer:** Edgar

Staff: GCL: Mann, Poblete

CMP: Beard, Casey, Hallenstein

<u>Issue 1</u>: Should the Commission grant Verizon's Motion to Dismiss Comcast's Petition for failing to state a claim for which relief can be granted or alternatively, to dismiss the Petition for the independent reason that Comcast should not be allowed to pursue collateral claims before this Commission and the FCC simultaneously?

**Recommendation:** No. Staff recommends that Verizon's primary Motion to Dismiss, as well as its alternative reason to dismiss, be denied, because Comcast's Petition does state a cause of action upon which relief may be granted and Verizon has presented no sufficient basis to conclude that dismissal for Verizon's stated independent reason would be appropriate.

<u>Issue 2</u>: Should the Commission grant Verizon's Motion in the Alternative - - to grant a Stay of these proceedings pending resolution of the matter filed with the FCC?

**Recommendation:** No. The Commission should not grant a stay of these proceedings pending resolution of the matter filed with the FCC.

<u>Issue 3</u>: If the Commission approves staff's recommendation in Issue 1, should the Commission consolidate this Docket No. 080036-TP, with 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?

6

**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.

(Continued from previous page)

**Recommendation:** Yes. If the Commission approves staff's recommendation in Issue 1, the Commission should consolidate this Docket No. 080036-TP, with Docket No. 070691-TP, Bright House's Complaint against Verizon.

Issue 4: Should this Docket be closed?

**Recommendation:** No. If the Commission approves staff's recommendation in Issue 1, this Docket should remain open pending further proceedings.

<u>DECISION</u>: Recommendations 1, 3, and 4 were approved by all Commissioners. Recommendation 2 was approved by Chairman Carter and Commissioners Edgar, Argenziano, and Skop. Commissioner McMurrian dissented on Issue 2 recommendation only.

ITEM NO. CASE

7\*\*

**Docket No. 070234-EQ** – Petition for approval of renewable energy tariff standard offer contract, by Florida Power & Light Company.

**Docket No. 070235-EQ** – Petition for approval of standard offer contract for purchase of firm capacity and energy from renewable energy producer or qualifying facility less than 100 kW tariff, by Progress Energy Florida, Inc.

Critical Date(s): None

Commissioners Assigned: All Commissioners

**Prehearing Officer:** Argenziano

Staff: GCL: Brubaker, Hartman

ECR: Ballinger, Baxter, Brown, Maurey

<u>Issue 1</u>: Should the Commission dismiss FICA's protest of PAA Order No. PSC-07-0492-TRF-EQ?

**Recommendation:** Yes, the Commission should dismiss FICA's protest of PAA Order No. PSC-07-0492-TRF-EQ. Order No. PSC-07-0492-TRF-EQ approving FPL's standard offer contract and associated tariffs should be revived, deemed final and effective, and Docket No. 070234-EQ should be closed. Consistent with Rule 25-22.039, F.A.C., and past Commission practice, by virtue of the protest withdrawal, Wheelabrator's Petition to Intervene and Motion to hold Docket No. 070234-EQ in abeyance should be deemed moot, and therefore need not be ruled upon.

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

**Recommendation:** Yes. If the Commission approves staff's recommendation in Issue 1, Docket No. 070234-EQ should be closed. Docket No. 070235-EQ should remain open to address the protest which has been filed as to that docket.

DECISION: The recommendations were approved.

ITEM NO. CASE

8\*\*PAA

**Docket No. 080026-TL** – Joint petition of BellSouth Telecommunications, Inc. d/b/a AT&T Florida and Windstream Florida, Inc. to transfer territories in St. Johns County and to amend certificates.

Critical Date(s): None

**Commissioners Assigned:** All Commissioners **Prehearing Officer:** Administrative

**Staff:** CMP: Pruitt GCL: Poblete

<u>Issue 1</u>: Should the petition filed by AT&T and Windstream for approval of a territorial agreement to modify the St. Johns Exchange and the Hastings Exchange boundaries and to amend the companies' local exchange certificates be approved?

**Recommendation:** Yes. The petition filed by AT&T and Windstream should be approved because it meets the requirements of Rule 25-4.005, F. A. C., Transfer of Certificate of Public Convenience and Necessity as to All or Portion of Service Area. AT&T and Windstream should file tariffs reflecting the exchange boundaries changes within 60 days of the issuance of the consummating order.

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

**Recommendation:** Yes. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, a consummating order should be issued. The docket should be closed administratively upon filing with the Division of Competitive Markets and Enforcement, within 60 days of the issuance of the consummating order, tariffs reflecting the exchange boundaries changes.

DECISION: The recommendations were approved.

ITEM NO. CASE

9\*\*PAA

**Docket No. 080096-TI** – Joint request by PNG Telecommunications, Inc. d/b/a PowerNet Global Communication d/b/a CrossConnect (TI346) and Global Touch Telecom, Inc. (TJ849) for waiver of the carrier selection requirements of Rule 25-4.118, F.A.C., in the purchase of assets and transfer of long distance customers from Global Touch Telecom, Inc. to PNG Telecommunications, Inc. d/b/a PowerNet Global Communications d/b/a CrossConnect.

Critical Date(s): None

**Commissioners Assigned:** All Commissioners **Prehearing Officer:** Administrative

Staff: CMP: Watts, Coleman

GCL: McKay

<u>Issue 1</u>: Should the Commission approve the request for waiver of the carrier selection requirements of Rule 25-4.118, Florida Administrative Code, in the transfer of Global Touch Telecom, Inc.'s customers to PNG Telecommunications, Inc. d/b/a PowerNet Global Communications d/b/a CrossConnect?

**Recommendation:** Yes, the Commission should approve the request for waiver of the carrier selection requirements of Rule 25-4.118, Florida Administrative Code.

**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: The recommendations were approved.

ITEM NO. CASE

10\*\*PAA

**Docket No. 070675-TX** – Request for cancellation of CLEC Certificate No. 8092 by Actel Wireless, Inc, effective December 31, 2007.

Critical Date(s): None

**Commissioners Assigned:** All Commissioners **Prehearing Officer:** Administrative

Staff: CMP: Isler GCL: McKay

<u>Issue 1</u>: Should the Commission deny Actel Wireless, Inc., a voluntary cancellation of its CLEC Certificate No. 8092 and cancel the certificate on the Commission's own motion with an effective date of December 31, 2007?

**Recommendation:** Yes, the company should be denied a voluntary cancellation as listed on Attachment A of staff's memorandum dated March 6, 2008.

ITEM NO. CASE

10\*\*PAA

**Docket No. 070675-TX** – Request for cancellation of CLEC Certificate No. 8092 by Actel Wireless, Inc, effective December 31, 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 Fee. including applicable late payment charges, prior to the expiration of the Proposed Agency Action Order, then the cancellation of the company's competitive local exchange telecommunications certificate will be voluntary. If the company fails to pay the Regulatory Assessment Fee, including applicable late payment charges, prior to the expiration of the Proposed Agency Action Order, then the company's competitive local exchange telecommunications certificate should be cancelled administratively, and the collection of the past due Regulatory Assessment Fee should be referred to the Florida Department of Financial Services for further collection efforts. If the company's competitive local exchange telecommunications certificate is cancelled in accordance with the Commission's Order from this recommendation, the company should be required to immediately cease and desist providing competitive local exchange telecommunications service in Florida. This docket should be closed administratively either upon receipt of the payment of the Regulatory Assessment Fee, including applicable late payment charges, or upon cancellation of the company's competitive local exchange telecommunications certificate.

<u>DECISION</u>: The recommendations were approved.

ITEM NO. CASE

11\*\*PAA

**Docket No. 070685-TP** – Request for cancellation of PATS Certificate No. 8557, CLEC Certificate No. 8291, and for acknowledgment of cancellation of IXC Registration No. TJ968 held by Symtelco, LLC, effective November 13, 2007.

Critical Date(s): None

**Commissioners Assigned:** All Commissioners **Prehearing Officer:** Administrative

Staff: CMP: Isler

GCL: McKay

<u>Issue 1</u>: Should the Commission deny Symtelco, LLC, a voluntary cancellation of its PATS Certificate No. 8557, CLEC Certificate No. 8092, and IXC Registration No. TJ968 and cancel the certificates and tariff and remove the company's name from the register on the Commission's own motion with an effective date of November 13, 2007?

**Recommendation:** Yes, the company should be denied voluntary cancellations as listed on Attachment A of staff's memorandum dated March 6, 2008.

ITEM NO. CASE

11\*\*PAA

**Docket No. 070685-TP** – Request for cancellation of PATS Certificate No. 8557, CLEC Certificate No. 8291, and for acknowledgment of cancellation of IXC Registration No. TJ968 held by Symtelco, LLC, effective November 13, 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, including applicable late payment charges, prior to the expiration of the Proposed Agency Action Order, then the cancellation of the company's pay telephone and competitive local exchange telecommunications certificates and intrastate interexchange carrier tariff and the removal of its name from the register will be voluntary. If the company fails to pay the Regulatory Assessment Fees, including applicable late payment charges, prior to the expiration of the Proposed Agency Action Order, then the company's pay telephone and competitive local exchange telecommunications certificates and intrastate interexchange carrier tariff and the removal of its name from the register 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 and competitive local exchange telecommunications certificates and intrastate interexchange carrier tariff are cancelled and its name is 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 pay telephone, competitive local exchange telecommunications service, and intrastate interexchange service in Florida. This docket should be closed administratively either upon receipt of payment of the Regulatory Assessment Fees, including applicable late payment charges, or upon cancellation of the company's pay telephone and competitive local exchange telecommunications certificates and intrastate interexchange carrier tariff and removal of its name from the register.

DECISION: The recommendations were approved.

ITEM NO. CASE

12\*\*PAA

**Docket No. 080021-TX** – Request for cancellation of CLEC Certificate No. 8483 by Nationwide Computer Systems, Inc. d/b/a Desoto.Net and d/b/a Greenwood.Net, effective December 27, 2007.

Critical Date(s): None

**Commissioners Assigned:** All Commissioners **Prehearing Officer:** Administrative

Staff: CMP: Isler GCL: McKay

**Issue 1**: Should the Commission deny Nationwide Computer Systems, Inc. d/b/a Desoto.Net and d/b/a Greenwood.Net, a voluntary cancellation of its CLEC Certificate No. 8483 and cancel the certificate on the Commission's own motion with an effective date of December 27, 2007?

**Recommendation:** Yes, the company should be denied a voluntary cancellation as listed on Attachment A of staff's memorandum dated March 6, 2008.

ITEM NO. CASE

12\*\*PAA

**Docket No. 080021-TX** – Request for cancellation of CLEC Certificate No. 8483 by Nationwide Computer Systems, Inc. d/b/a Desoto.Net and d/b/a Greenwood.Net, effective December 27, 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 Fee, including applicable late payment charges, prior to the expiration of the Proposed Agency Action Order, then the cancellation of the company's competitive local exchange telecommunications certificate will be voluntary. If the company fails to pay the Regulatory Assessment Fee, including applicable late payment charges, prior to the expiration of the Proposed Agency Action Order, then the company's competitive local exchange telecommunications certificate should be cancelled administratively, and the collection of the past due Regulatory Assessment Fee should be referred to the Florida Department of Financial Services for further collection efforts. If the company's competitive local exchange telecommunications certificate is cancelled in accordance with the Commission's Order from this recommendation, the company should be required to immediately cease and desist providing competitive local exchange telecommunications service in Florida. This docket should be closed administratively either upon receipt of the payment of the Regulatory Assessment Fee, including applicable late payment charges, or upon cancellation of the company's competitive local exchange telecommunications certificate.

DECISION: The recommendations were approved.

ITEM NO. CASE

13\*\*PAA

**Docket No. 080038-TP** – Request for cancellation of CLEC Certificate No. 7638, and for acknowledgement of cancellation of IXC Registration No. TJ460 by Available Telecom Services, Inc., effective December 31, 2007.

Critical Date(s): None

**Commissioners Assigned:** All Commissioners **Prehearing Officer:** Administrative

Staff: CMP: Isler

GCL: McKay

<u>Issue 1</u>: Should the Commission deny Available Telecom Services, Inc., a voluntary cancellation of its CLEC Certificate No. 7638 and IXC Registration No. TJ460 and cancel the tariff and remove the company's name from the register on the Commission's own motion with an effective date of December 31, 2007?

**Recommendation:** Yes, the company should be denied voluntary cancellations as listed on Attachment A of staff's memorandum dated March 6, 2008.

ITEM NO. CASE

13\*\*PAA

**Docket No. 080038-TP** – Request for cancellation of CLEC Certificate No. 7638, and for acknowledgement of cancellation of IXC Registration No. TJ460 by Available Telecom Services, Inc., effective December 31, 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, including applicable late payment charges, prior to the expiration of the Proposed Agency Action Order, then the cancellation of the company's competitive local exchange telecommunications certificate and intrastate interexchange carrier tariff and the removal of its name from the register will be voluntary. If the company fails to pay the Regulatory Assessment Fees, including applicable late payment charges, prior to the expiration of the Proposed Agency Action Order, then the company's competitive local exchange telecommunications certificate and intrastate interexchange carrier tariff and the removal of its name from the register 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 competitive local exchange telecommunications certificate and intrastate interexchange carrier tariff are 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 telecommunications service in Florida. This docket should be closed administratively either upon receipt of payment of the Regulatory Assessment Fees, including applicable late payment charges, or upon cancellation of the company's competitive local exchange telecommunications certificate and intrastate interexchange carrier tariff and removal of its name from the register.

<u>DECISION</u>: The recommendations were approved.

14

ITEM NO. CASE

**Docket No. 070650-EI** – Petition to determine need for Turkey Point Nuclear Units 6 and 7 electrical power plant, by Florida Power & Light Company.

Critical Date(s): 135 day deadline for final decision per statute extended to March 18,

2008, Agenda Conference.

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Skop

Staff: ECR: Brown, Bulecza-Banks, Garl, Graves, Hewitt, Lester, McNulty, Springer,

Stallcup, Wu

GCL: Fleming, Brubaker, Klancke

<u>Issue 1</u>: 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(4), Florida Statutes?

**Recommendation:** Yes. FPL has a need for 8,350 MW of additional capacity in the 2011 through 2020 period. Regardless of the size of each unit (1,100 MW or 1,520 MW) the addition of Turkey Point 6 and 7 will provide some, but not all, of the needed capacity to maintain system reliability and integrity and meet the 20% reserve margin. Even if customer growth were assumed to be 0% for five years, the evidence shows that FPL would still have a reliability need for additional generation capacity by the year 2016.

<u>Issue 2</u>: Is there a need for the proposed generating units, taking into account the need for fuel diversity, as this criterion is used in Section 403.519(4), Florida Statutes?

**Recommendation:** Yes. If natural gas-fueled generation were to be added to FPL's system instead of Turkey Point 6 and 7, FPL's natural gas contribution to its system would increase by approximately 50% to approximately 75% by 2021. Without Turkey Point 6 and 7, FPL's dependence on natural gas would make FPL more prone to natural gas supply disruptions and to fuel price volatility.

<u>Issue 3</u>: Is there a need for the proposed generating units, taking in account the need for base-load generating capacity, as this criterion is used in Section 403.519(4), Florida Statutes?

**Recommendation:** Yes. FPL's base-load needs are projected to increase by approximately 6,000 MW by the year 2020. Even with the addition of Turkey Point 6 and 7, FPL's base-load needs will continue to be met primarily with natural gas-fired combined cycle generators.

<u>Issue 4</u>: 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(4), Florida Statutes?

**Recommendation:** Yes. The cost estimates presented for capital costs, fuel costs, emission costs, water, and waste disposal appear reasonable.

14

ITEM NO. CASE

**Docket No. 070650-EI** – Petition to determine need for Turkey Point Nuclear Units 6 and 7 electrical power plant, by Florida Power & Light Company.

(Continued from previous page)

<u>Issue 5</u>: Are there any renewable energy sources and technologies or conservation measures taken by or reasonably available to Florida Power & Light Company which might mitigate the need for the proposed generating units?

**Recommendation:** No. FPL has identified an incremental increase of 1,899 MW of DSM summer peak demand reduction from conservation, as well as over 280 MW of renewable energy from purchased power contracts by the year 2020. As discussed in Issue 1, FPL has demonstrated a reliability need for the years 2018 through 2020 in excess of these amounts. A reduction in peak demand or an increase in renewable generation would likely result in the deferral of future uncertified natural gas units.

<u>Issue 6</u>: Will the proposed generating units provide the most cost-effective source of power, as this criterion is used in Section 403.519(4), Florida Statutes?

**Recommendation:** Yes. Despite high capital costs, the relatively low fuel costs associated with the proposed units provide an economic advantage when compared with other base-load generation alternatives. When potential environmental compliance costs are considered, nuclear generation becomes even more cost-effective when compared to other base-load generation alternatives. The fuel and environmental benefits of Turkey Point 6 and 7 could continue beyond the analysis presented in this proceeding. FPL should be required to provide an updated breakeven cost-effectiveness evaluation as part of the annual cost recovery and prudence review process.

<u>Issue 7</u>: Does Florida Power & Light Company's nuclear power plant petition contain a summary of any discussions with other electric utilities regarding ownership of a portion of the plant by such electric utilities, consistent with the requirements of 403.519(4)(a)5., F.S., and Rule 25-22.081, F.A.C.?

Recommendation: Yes.

<u>Issue 8</u>: Based on the resolution of the foregoing issues, should the Commission grant Florida Power & Light Company's petition to determine the need for the proposed generating units?

**Recommendation:** Yes.

14

**Docket No. 070650-EI** – Petition to determine need for Turkey Point Nuclear Units 6 and 7 electrical power plant, by Florida Power & Light Company.

(Continued from previous page)

<u>Issue 9</u>: If the Commission grants Florida Power & Light Company's petition to determine the need for the proposed generating units, should FPL commit, prior to the completion of the Rule 25-6.0423 cost recovery proceeding in 2008 (the "2008 NPPCR Proceeding"), to make advance forging reservation payments of approximately \$16 million to Japan Steel Works in order to preserve the potential for 2018-2020 in-service dates for the proposed generating units?

**Recommendation:** FPL should take all reasonable steps to meet the in-service dates of the proposed units, including committing to make advanced forging reservation payments. However, all specific contractual terms including the final price, portability, and other compensating aspects should be addressed in the annual cost recovery proceeding.

**Issue 10**: Should this docket be closed?

**Recommendation:** The docket should be closed after the time for filing an appeal has run.

<u>DECISION</u>: The recommendations were approved.

15\*\*

**Docket No. 080072-GU** – Petition for approval of a residential standby generator rate schedule, by Florida Public Utilities Company.

Critical Date(s): 03/31/08 (60-Day Suspension Date)

**Commissioners Assigned:** All Commissioners **Prehearing Officer:** Administrative

**Staff:** ECR: Draper GCL: Young

<u>Issue 1</u>: Should the Commission approve FPUC's proposed residential standby generator

rate schedule RS-GS? **Recommendation:** Yes.

<u>DECISION</u>: The tariff is suspended. Staff is to provide additional information in response to comments made at the conference, and to bring this item back to the Commission at a later date.

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

**Recommendation:** Yes. If Issue 1 is approved, this tariff should become effective on March 18, 2008. 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: This recommendation was denied.

ITEM NO. CASE

16\*\*PAA

**Docket No. 060602-SU** – Application for certificate to provide wastewater service in Lee and Charlotte Counties by Town and Country Utilities Company.

Critical Date(s): None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Edgar

Staff: ECR: Clapp, Walden

GCL: Fleming

<u>Issue 1</u>: Should the utility's proposed water, wastewater, and reuse rates and return on investment be approved?

**Recommendation:** Yes. The utility's proposed water, wastewater, and reuse rates, as shown on Schedules 2 and 3 of staff's memorandum dated March 6, 2008, should be approved. Town and Country should charge the approved rates until authorized to change them by this Commission in a subsequent proceeding. The utility should be required to provide a copy of the proposed agency action order to all existing water customers within five days of issuance. The utility shall file revised tariff sheets and a proposed customer notice to all existing water customers. The revised water rates shall not be implemented until staff has approved the revised tariff and the proposed customer notice. The utility should provide proof of the date notice was given no later than 10 days after the date of the notice. The water, wastewater, and reuse rates 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 (F.A.C.). A return on equity of 12.01% with a range of plus or minus 100 basis points should be approved. A copy of the executed and recorded warranty deed for the water and wastewater treatment facilities site should be filed within 30 days of the consummating order establishing the utility's rates and charges.

<u>Issue 2</u>: Should the utility's requested service availability policy and charges be approved?

**Recommendation:** Yes. The utility's proposed service availability policy and charges are consistent with the guidelines in Rule 25-30.580, F.A.C., and should be approved. Town and Country should charge the approved charges until authorized to change them by this Commission in a subsequent proceeding. The charges should be effective for connections made on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475, F.A.C.

<u>Issue 3</u>: Should the utility's request for customer deposits, miscellaneous service charges, and a late fee be approved?

**Recommendation:** Yes. The utility's request for customer deposits, miscellaneous service charges, and a 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, F.A.C.

ITEM NO. CASE

16\*\*PAA

**Docket No. 060602-SU** – Application for certificate to provide wastewater service in Lee and Charlotte Counties by Town and Country Utilities Company.

(Continued from previous page)

<u>Issue 4</u>: Should an Allowance for Funds Used During Construction (AFUDC) rate be approved for Town and Country Utilities Company?

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

**Issue 5**: 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 a copy of the executed and recorded warranty deed for the water and wastewater plant facilities.

<u>DECISION</u>: The recommendations were approved.

ITEM NO. CASE

17\*\*

**Docket No. 070740-SU** – Joint application for approval of transfer of Hudson Utilities, Inc.'s wastewater system and Certificate No. 104-S, in Pasco County, to Ni Florida, LLC.

Critical Date(s): None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Argenziano

Staff: ECR: Johnson, Kaproth

GCL: Klancke

<u>Issue 1</u>: Should the Commission approve the transfer of facilities and Certificate No. 104-S from Hudson Utilities, Inc. to Ni Florida, LLC?

Recommendation: Yes, the transfer of facilities and Certificate No. 104-S from Hudson Utilities, Inc. to Ni Florida, LLC is in the public interest and should be approved effective the date of the Commission's vote. The subsequent order will serve as the utility's wastewater certificate and should be retained by the utility. Pursuant to Rule 25-9.044(1), Florida Administrative Code, the rates and charges approved for the utility should be continued until authorized to change by the Commission in a subsequent proceeding. Hudson is responsible for the payment of the 2008 regulatory assessment fees (RAFs) from January 1, 2008 to the date of the closing and for filing the 2007 annual report by March 31, 2008. Ni Florida is responsible for payment of the RAFs from the date of closing through December 31, 2008 and the RAFs for future years. Also, Ni Florida is responsible for filing the 2008 annual report and future annual reports. A description of the territory being transferred is appended as Attachment A of staff's memorandum dated March 6, 2008. The buyer should be required to file documentation confirming the closing of the purchase within 15 days of the closing.

<u>DECISION</u>: The recommendation was approved with language revised to specify that a positive acquisition adjustment not be requested at this time.

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

**Recommendation:** No, this docket should remain open until staff receives proof of the executed purchase agreement confirming the closing and after rate base is set in a subsequent recommendation.

DECISION: The recommendation was approved.