

**MINUTES OF May 8, 2007**  
**COMMISSION CONFERENCE**  
**COMMENCED: 9:35 a.m.**  
**ADJOURNED: 10:00 a.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 (\*\*).

---

---

1                    **Approval of Minutes**  
                         March 27, 2007, Regular Commission Conference  
                         April 10, 2007, Regular Commission Conference

DECISION: The minutes were approved.

Commissioners participating: Edgar, Carter, McMurrian

**ITEM NO.**

**CASE**

---

2\*\*

**Consent Agenda**

PAA

A) Requests for cancellation of competitive local exchange telecommunications certificates.

<u>DOCKET NO.</u>	<u>COMPANY NAME</u>	<u>EFFECTIVE DATE</u>
050610-TX	Electronic Technical Services (E.T.S.)	12/31/2006
070147-TP	EO Telecom of Florida, LLC	3/6/2007

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

DECISION: The recommendation was approved.

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

**ITEM NO.**

**CASE**

---

3\*\*PAA

**Docket No. 040763-TP** – Request for submission of proposals for relay service, beginning in June 2005, for the hearing and speech impaired, and other implementation matters in compliance with the Florida Telecommunications Access System Act of 1991.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Edgar

**Staff:** CMP: Moses, Casey

GCL: Tan

**Issue 1:** Should the Commission approve FTRI's proposed budget as outlined in Attachment A of staff's April 26, 2007, memorandum for the fiscal year 2007-2008, effective July 1, 2007, and should the Commission reduce the current Telecommunications Relay Service (TRS) surcharge from \$0.15 to \$0.11 per month?

**Recommendation:** Staff recommends that the Commission approve FTRI's proposed budget as outlined in Attachment A of staff's memorandum for the fiscal year 2007-2008, effective July 1, 2007, and recommends that the TRS surcharge be reduced from \$0.15 to \$0.11 per month for the fiscal year 2007-2008, effective July 1, 2007. Staff also recommends that the Commission order the incumbent local exchange companies, competitive local exchange companies, and shared tenant providers to begin billing the modified surcharge beginning July 1, 2007.

**Issue 2:** Should the Commission approve Ms. Maryrose Sirianni, Ms. Demetria Clark Watts, and Ms. Kathy Zarate as Advisory Committee members to replace Ms. Nancy Schnitzer, Mr. Brian Musselwhite, and Mr. Harry Anderson effective immediately, and approve Mr. Rick Kottler as an Advisory Committee member to replace Ms. Julie Church effective July 1, 2007?

**Recommendation:** Yes. The Commission should approve Ms. Maryrose Sirianni, Ms. Demetria Clark Watts, and Ms. Kathy Zarate as Advisory Committee members to replace Ms. Nancy Schnitzer, Mr. Brian Musselwhite, and Mr. Harry Anderson effective immediately, and approve Mr. Rick Kottler as an Advisory Committee member to replace Ms. Julie Church effective July 1, 2007.

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

**Recommendation:** No. This docket should not be closed.

**DECISION:** The recommendations were approved.

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

**ITEM NO.**

**CASE**

---

4\*\*

**Docket No. 060581-TP** – Petition of Alltel Communications, Inc. for designation as eligible telecommunications carrier (ETC) in certain rural telephone company study areas located partially in Alltel's licensed area and for redefinition of those study areas.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Pending **Argenziano**

**Staff:** CMP: Mann

GCL: Teitzman

**Issue 1:** Should the Commission acknowledge Alltel's Notice of Withdrawal, without prejudice, of its Petition?

**Recommendation:** Yes. The Commission should acknowledge Alltel's Notice of Voluntary Withdrawal of its Petition, without prejudice. In addition, the Commission should find that the withdrawal renders any and all outstanding motions moot.

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

**Recommendation:** Yes. There is nothing further in the docket for this Commission to address, and the docket should be closed.

**DECISION:** The recommendations were approved.

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

**ITEM NO.**

**CASE**

---

5\*\*

**Docket No. 040601-TP** – Petition by DIECA Communications, Inc. d/b/a Covad Communications Company for arbitration of issue resulting from interconnection negotiations with BellSouth Telecommunications, Inc., and request for expedited processing.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Carter

**Staff:** CMP: Dowds

GCL: Teitzman

**Issue 1:** Should the Commission acknowledge Covad's Notice of Withdrawal, without prejudice, of its Petition?

**Recommendation:** Yes. The Commission should acknowledge Covad's Notice of Voluntary Withdrawal of its Petition, without prejudice. In addition, the Commission should find that the withdrawal renders any and all outstanding motions moot.

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

**Recommendation:** Yes. There is nothing further in the docket for this Commission to address, and the docket should be closed.

**DECISION:** The recommendations were approved.

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

**ITEM NO.**

**CASE**

---

6

**Docket No. 060198-EI** – Requirement for investor-owned electric utilities to file ongoing storm preparedness plans and implementation cost estimates.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners **Edgar, Carter, McMurrian**  
**Prehearing Officer:** Edgar

**Staff:** ECR: Breman, McNulty, Trapp  
GCL: Gervasi

**Issue 1:** Should Florida Power & Light Company establish a three-year cycle for its vegetation management program within the City of North Miami?

**Recommendation:** No. FPL should continue to implement its proposed system-wide vegetation management program consisting of average trim cycles of three-years for distribution feeder circuits and six-years for distribution lateral circuits throughout its service area. FPL should also be required to address rapid tree growth within the City of North Miami using mid-cycle trimming, hot-spot trimming, and the Right-Tree-Right-Place program. Thirty days after the Commission's order on this item becomes final, and by March 1 of years 2008 through 2010, FPL should file a report with the Commission and the City which includes (i) an information package containing historical and projected vegetation management activity and related reliability performance, both for the City and system-wide, (ii) an explanation of how FPL's proposed changes to its vegetation management program will impact the City and the storm resilience of the electrical system serving the City, and (iii) documentation summarizing FPL's actions to improve communications with the City.

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

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

**DECISION:** The recommendations were approved.

Commissioners participating: Edgar, Carter, McMurrian

**ITEM NO.**

**CASE**

---

7\*\*PAA

**Docket No. 070100-EI** – Request for approval to begin depreciating Turkey Point Unit 5 combined cycle using whole life depreciation rates currently approved for Martin Power Plant Unit 4 and Common, by Florida Power & Light Company.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** McMurrin

**Staff:** ECR: Gardner, Bulecza-Banks, Ballinger, Marsh

GCL: Young

**Issue 1:** Should new depreciation rates be approved for Florida Power and Light's Turkey Point Unit 5, combined cycle unit?

**Recommendation:** Yes. The whole life depreciation rates shown on Attachment A, page 6, of staff's April 26, 2007, memorandum, should be approved for the combined cycle unit being installed at the Turkey Point site, pending a comprehensive depreciation study in 2009. These rates reflect the currently prescribed whole life rates for Martin Power Plant Unit 4.

**Issue 2:** What should be the implementation date for depreciation rates for Turkey Point Unit 5 combined cycle?

**Recommendation:** Staff recommends approval of FPL's proposal that depreciation rates for Turkey Point Unit 5 combined cycle be implemented effective with the unit's in-service date.

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

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

**DECISION:** The recommendations were approved.

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

**ITEM NO.**

**CASE**

---

8\*\*PAA

**Docket No. 070119-EG** – Petition for approval of modifications to certain demand-side management programs by Gulf Power Company.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Administrative

**Staff:** ECR: Lewis, Ballinger

GCL: Fleming

**Issue 1:** Should the Commission approve Gulf Power's petition to modify its Residential and Commercial Geothermal Heat Pump programs, which includes a request to recover reasonable and prudent costs for these programs through the energy conservation cost recovery (ECCR) clause?

**Recommendation:** Yes. However, because in some cases participants may have to wait as long as 19 years to realize a savings on their investment, the payback period must be disclosed to potential participants so they can make an informed decision. The proposed modifications pass all of the cost-effectiveness tests with the exception of the Rate Impact Measure (RIM) test under one assumption. Assuming a GHP displaces an air source heat pump results in a RIM value of less than one, and therefore, would not be considered cost effective to Gulf's general body of ratepayers. However, the RIM test is passed when it is assumed that a GHP displaces natural gas heating. Ultimately, participation in a program is the customer's choice; however, Gulf should not use the GHP program solely to displace end-use natural gas appliances. Gulf should be allowed to recover all reasonable and prudent costs through the ECCR clause for implementing these programs.

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

**Recommendation:** Yes. If Issue 1 is approved, the program modifications should become effective June 22, 2007. If a protest is filed within 21 days of the issuance of the proposed agency action order, any modifications should not be implemented until after the resolution of the protest. If no timely protest is filed, the 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**

---

9

**Docket No. 060257-WS** – Application for increase in water and wastewater rates in Polk County by Cypress Lakes Utilities, Inc.

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** Pending **Argenziano**

**Staff:** ECR: Revell, Rendell, Springer

GCL: Fleming

**Issue 1:** Should the Commission acknowledge the implementation of the proposed agency action rates by Cypress Lakes Utilities, Inc.?

**Recommendation:** Yes. The Commission should acknowledge the utility's implementation of the proposed agency action rates on a temporary basis, pending the outcome of this rate proceeding.

**Issue 2:** What is the appropriate security to guarantee the increased revenues collected under the temporary proposed agency action rates?

**Recommendation:** The utility should be required to open an escrow account or file a surety bond to guarantee any potential refund of revenues collected under interim conditions. If the security provided is an escrow account, the utility should deposit 16.81% of water and 39.22% of wastewater revenues into the escrow account each month. Otherwise, the surety bond should be in the amount of \$158,475. 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 3:** Should this docket be closed?

**Recommendation:** No. This docket should remain open to complete the hearing process.

**DECISION:** The recommendations were approved.

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

**ITEM NO.**

**CASE**

---

10

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

**Critical Date(s):** None

**Commissioners Assigned:** All Commissioners

**Prehearing Officer:** McMurrian

**Staff:** ECR: Fletcher, Rendell, Springer

GCL: Brubaker

**Issue 1:** Should the Commission acknowledge the implementation of the proposed agency action rates by Sanlando Utilities Corp.?

**Recommendation:** Yes. The Commission should acknowledge the utility's implementation of the proposed agency action rates on a temporary basis, pending the outcome of this rate proceeding.

**Issue 2:** What is the appropriate security to guarantee the increased revenues collected under the temporary proposed agency action rates?

**Recommendation:** The utility should be required to open an escrow account or file a surety bond to guarantee any potential refund of revenues collected under interim conditions. If the security provided is an escrow account, the utility should deposit 19.39% of water and 19.94% of wastewater revenues into the escrow account each month. Otherwise, the surety bond should be in the amount of \$910,583. 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 3:** Should the docket be closed?

**Recommendation:** No. This docket should remain open to complete the hearing process.

**DECISION:** The recommendations were approved.

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

**ITEM NO.**

**CASE**

---

11

**Docket No. 041269-TP** – Petition to establish generic docket to consider amendments to interconnection agreements resulting from changes in law, by BellSouth Telecommunications, Inc.

**Critical Date(s):** None

**Commissioners Assigned:** Edgar

**Prehearing Officer:** Edgar

**Staff:** GCL: Tan

CMP: Barrett

**Issue 1:** Should the Commission acknowledge AT&T Florida's withdrawal of its Motion for Order Deeming Amendments to Interconnection Agreements Executed and Approved?

**Recommendation:** Yes. The Commission should acknowledge AT&T Florida's withdrawal of its Motion for Order Deeming Amendments to Interconnection Agreements Executed and Approved.

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

**Recommendation:** Yes. Staff understands from AT&T Florida, that all of the executed amendments to implement the First and Second COL Orders have been received. Therefore, with AT&T Florida's withdrawal of the Motion for Order Deeming Amendments to Interconnection Agreements Executed and Approved, there are no further matters for the Commission to resolve in this docket. This docket should be closed.

**DECISION:** The recommendations were approved.

Commissioners participating: Edgar