MINUTES OF July 18, 2006
COMMISSION CONFERENCE
COMMENCED: 9:35 a.m.
ADJOURNED: 10:55 a.m.
COMMENCED: 11:10 a.m.
ADJOURNED: 12:40 p.m.
COMMENCED: 1:45 p.m.
ADJOURNED: 4:15 p.m.
COMMENCED: 4:25 p.m.
ADJOURNED: 5:10 p.m.
COMMISSIONERS PARTICIPATING: Chairman Edgar
Commissioner Deason
Commissioner Arriaga
Commissioner Carter
Commissioner Tew

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

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1 **Approval of Minutes**
June 6, 2006 Regular Commission Conference
June 20, 2006 Regular Commission Conference

DECISION: The minutes were approved.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

2** **Consent Agenda**

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

DOCKET NO.	COMPANY NAME
060380-TX	J C Telecommunication Co., LLC
060434-TX	America's Choice Communications Corp
060454-TX	Clearwire Telecommunications Services, LLC
060414-TX	Optivon, Inc.

PAA B) Requests for cancellation of alternative access vendor certificates.

DOCKET NO.	COMPANY NAME	EFFECTI DATE
060359-TA	Dhaka Tel, Inc. d/b/a DTI Telecom	4/30/2006
060363-TP	ICG Telecom Group, Inc.	4/28/2006

PAA C) Requests for cancellation of competitive local exchange telecommunications certificates.

DOCKET NO.	COMPANY NAME	EFFECTI DATE
060248-TP	KMC Telecom V, Inc.	3/17/2006
060439-TP	Utilities Commission, New Smyrna Beach d/b/a New Smyrna Communications	8/01/2006
060451-TP	RedSquare Corporation d/b/a RedSquare Communication Corporation	6/13/2006

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, Deason, Arriaga, Carter, Tew

3**PAA **Docket No. 050194-TL** – Complaint by Florida BellSouth customers who paid fees to BellSouth Telecommunications, Inc. related to Miami-Dade County Ordinance Section 21-44 ("Manhole Ordinance") and request that Florida Public Service Commission order BellSouth to comply with Section A.2.4.6 of General Subscriber Service Tariff and refund all fees collected in violation thereof. (Deferred from May 16, 2006 conference; revised recommendation filed.)
Critical Date(s): None
Commissioners Assigned: All Commissioners
Prehearing Officer: Carter
Staff: GCL: Scott
CMP: Simmons, Dowds, Higgins

Issue 1: Has BellSouth violated the terms of Section A.2.4.6 of its General Subscriber Service Tariff, with respect to the Manhole Ordinance Fee, for all or part of the period 1983 through 2005? If so, what action should the Commission take?
Recommendation: Staff recommends the Commission find that BellSouth violated the terms of Section A.2.4.6 of its General Subscriber Service Tariff, during all or part of the period 1998 through 2005. Given that the per line credit or refund would be less than $.50, and since a significant number of affected customers may no longer be receiving service from BellSouth, staff recommends that no customer credit or refund be required.

Instead, staff recommends that the Commission set the cumulative overage in collections, with interest, as of year-end 2005 at $469,176 and require that BellSouth consider this overage and any overage/underage for January 2006 through June 2006, in setting the Manhole Ordinance Fee to be assessed for the period July 2006 through December 2006. In addition, staff recommends the Commission find that, pursuant to existing Section A.2.4.6 of

its General Subscriber Service Tariff, BellSouth is required to perform reconciliations for each future six-month period and to apply the overage/underage in collections as an accounting adjustment, to determine the appropriate fee. Finally, staff recommends that in the future, overhead loadings be computed using the same method in general use by BellSouth (i.e., the "original" method).

Issue 2: Should this docket be closed?
Recommendation: The Order issued from this recommendation will be a Proposed Agency Action. Thus, the Order will become final and effective upon issuance of a Consummating Order if no person whose substantial interests are affected timely files a protest within 21 days of issuance of the Order. With issuance of a Consummating Order, this docket should be closed.

DECISION: The recommendations were approved with the modification to Issue 1 that there is no finding of a tariff violation, with a change to the beginning date of the overage/underage consideration to February 1, 2006, and to the beginning date of the period for assessment of the manhole ordinance fee to August 1, 2006.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

4**PAA **Docket No. 060277-EU** – Joint petition for approval of territorial amendment in Polk, Hardee, Highlands, Manatee, and Osceola Counties by Progress Energy Florida, Inc. and Peace River Electric Cooperative, Inc.
Critical Date(s): None
Commissioners Assigned: All Commissioners
Prehearing Officer: Carter
Staff: GCL: Brown
ECR: Redemann, Rieger

Issue 1: Should the Commission approve the joint petition for approval of amendments to the 1994 Peace River-Progress Territorial Agreement?
Recommendation: Yes. The amendments are in the public interest and should be approved, effective when the Commission's decision approving the amendments becomes final.
Issue 2: Should this docket be closed?
Recommendation: Yes. If no protest to the Commission's Order approving the amendments to the agreement is filed by a substantially affected person within 21 days of the issuance of the Order, the docket should be closed upon issuance of a Consummating Order.

DECISION: The recommendations were approved.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

5 **Docket No. 060038-EI** – Petition for issuance of a storm recovery financing order, by Florida Power & Light Company.
Critical Date(s): None
Commissioners Assigned: All Commissioners
Prehearing Officer: Deason
Staff: GCL: Keating
ECR: Maurey

Issue 1: Should the Commission grant FPL's request for oral argument?

Recommendation: Yes. Oral argument may aid the Commission in evaluating the issues presented in FPL's motion for reconsideration and request for clarification.

DECISION: The recommendation was approved.

Issue 2: Should the Commission grant FPL's motion for reconsideration?
Recommendation: The Commission should grant FPL's request for reconsideration with respect to that portion of the Financing Order related to the allocation of partial payments. The Commission should deny FPL's motion for reconsideration in all other respects.

DECISION: The recommendation was modified consistent with discussion at the conference to change the last sentence of FOF 81 to "we direct that this transaction be structured consistent with this expectation" and with the changes noted on the handout provided at the conference. Item 6 in this issue was approved. Commissioner Arriaga supported all aspects of the decision on this issue, except that he would have changed the word "eliminate" in FOF 81 to "minimize."

Issue 3: Should the Commission grant FPL's motion for clarification?
Recommendation: The Commission should grant in part and deny in part FPL's motion for clarification as set forth in the analysis in staff's July 10, 2006 memorandum.

DECISION: The recommendation was modified consistent with the changes noted in the handout provided at the conference. Additionally, Item 3 was approved.

Issue 4: Should this docket be closed?
Recommendation: No. Consistent with the Financing Order, this docket should remain open through completion of this Commission's review of the actual costs of the storm-recovery bond issuance conducted pursuant to Section 366.8260(2)(b)5., Florida Statutes.

DECISION: The recommendation was approved.

For a verbatim record of discussion of this item, see the official transcript in the related docket.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

6** **Docket No. 060476-TL** – Petition to initiate rulemaking to amend Rules 25-24.630(1) and 25.24.516(1), F.A.C., by BellSouth Telecommunications, Inc.
Critical Date(s): 07/26/06 (30-day statutory deadline)
Commissioners Assigned: All Commissioners
Prehearing Officer: Tew
Staff: CMP: Moses
GCL: Bellak

Issue 1: Should the Commission grant BellSouth's petition to initiate rulemaking to amend Rules 25-24.630 and 25-24.516, Florida Administrative Code?
Recommendation: Yes, the Commission should grant the Petition in part. A rule development workshop should be held before the Commission decides to amend the rule in the form requested by the Petitioner.
Issue 2: Should the docket be closed?
Recommendation: No.

DECISION: The recommendations were approved.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

7 **Docket No. 060300-TL** – Petition for recovery of intrastate costs and expenses relating to repair, restoration and replacement of facilities damaged by Hurricane Dennis, by GTC, Inc. d/b/a GT Com.
Critical Date(s): 07/29/96 (120-day statutory deadline)
Commissioners Assigned: All Commissioners
Prehearing Officer: Arriaga
Staff: CMP: Maduro, Bulecza-Banks, Casey, Mailhot, Mann, Moses, Watts, Wright
GCL: Teitzman

Issue 1: What amount of intrastate costs and expenses did GT Com incur relating to repairing, restoring, or replacing the lines, plants, or facilities damaged by Hurricane Dennis?
Recommendation: Staff believes that the amount of intrastate costs and expenses GT Com incurred relating to repairing, restoring, or replacing the lines, plants, or facilities damaged by Hurricane Dennis is $312,693.

DECISION: The recommendation was approved.

Issue 2: Are the costs and expenses identified in Issue No. 1 reasonable under the circumstances for Hurricane Dennis?
Recommendation: No. Staff has identified five categories of costs it believes GT Com should not recover through a storm charge assessment as these costs are not reasonable under the circumstances. Costs that should not be recovered through the storm cost recovery mechanism include: Overhead, Benefits, In-

House Labor, Alligator Point Fiber Upgrade, and Capital Assets. The dollar amounts associated with these adjustments are discussed in Issue 3 that addresses the appropriate dollar amount to be recovered pursuant to Section 364.051(4), Florida Statutes.

DECISION: The recommendation was approved. Additionally, the order will encompass the discussion at the conference concerning the term "recover."

Issue 3: What is the appropriate amount of intrastate costs and expenses related to damage caused by Hurricane Dennis that should be recovered pursuant to Section 364.051(4), Florida Statutes?
Recommendation: Staff believes that the appropriate amount of intrastate costs and expenses related to damage caused by Hurricane Dennis that should be recovered pursuant to Section 364.051(4), Florida Statutes, is $4,950 which includes $987 in unreimbursed storm cost and $3,963 in carrying costs.

DECISION: The recommendation was approved.

Issue 4: What is the appropriate line item charge per access line, if any, that should be charged to the customers of GT Com for recovery of the amount identified in Issue 3?
Recommendation: Staff recommends that GT Com assess a one-time per access line surcharge of $0.11. This amount is derived by taking staff's recommended recovery amount of $4,950 and dividing this amount 46,861 access lines.

DECISION: The recommendation was approved with the modification of the addition of "may" between "GT Com" and "assess."

Issue 5: If a line item charge is approved in Issue 4, on what date should the charge become effective and on what date should the charge end?
Recommendation: Staff recommends that if a charge is approved in Issue 4, the charge may be assessed at GT Com's earliest convenience, but no earlier than 30 days from the date of the Commission vote. As this is a one-time charge, there is no need to establish an assessment period. GT Com should provide staff the wording to be used on its bills regarding the storm charge prior to issuance.

DECISION: The recommendation was approved.

Issue 6: Should the docket be closed?
Recommendation: If the Commission finds recovery to be inappropriate, then this docket should be closed. However, if the Commission finds recovery on the part of GT Com to be appropriate, this docket should remain open for a period of time to allow the Commission to verify the collected amount does not exceed the amount authorized.

DECISION: The recommendation was approved.

For a verbatim record of discussion of this item, see the official transcript in the related docket.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

8** **Docket No. 060077-TL** – Proposal to require local exchange telecommunications companies to implement ten-year wood pole inspection program.
Critical Date(s): None
Commissioners Assigned: All Commissioners
Prehearing Officer: Administrative
Staff: CMP: Moses, Harvey, Vinson
GCL: Teitzman

Issue 1: Should the Commission approve Verizon's revised wood pole inspection plan (Attachment A to staff's July 6, 2006 memorandum)?
Recommendation: Yes.
Issue 2: Should this docket be closed?
Recommendation: No. If the Commission accepts staff's recommendation, the docket should remain open pending resolution of Embarq's protest of the PAA order. If the Commission does not approve Issue 1, a hearing track should commence for Verizon.

DECISION: The recommendations were approved.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

9**PAA **Docket No. 040604-TL** – Adoption of the National School Lunch Program and an income-based criterion at or below 135% of the Federal Poverty Guidelines as eligibility criteria for the Lifeline and Link-Up programs.
Critical Date(s): None
Commissioners Assigned: All Commissioners
Prehearing Officer: Arriaga
Staff: CMP: C. Williams, Bulecza-Banks, Casey
GCL: Teitzman, Scott

Issue 1: Should the Commission expand the application of the Lifeline and Link-Up simplified certification enrollment process to

include all eligible telecommunications carriers (ETCs)?
Recommendation: Yes. The Commission should require all ETCs to adopt the simplified certification process for enrollment in the Lifeline and Link-Up programs.
Issue 2: Should the Commission expand the application of the National School Lunch Program (NSLP) - Free Lunch to all eligible telecommunications carriers (ETCs)?
Recommendation: Yes. The Commission should require all ETCs to adopt the NSLP – Free Lunch as eligibility criteria for participation in the Lifeline and Link-Up programs.
Issue 3: Should this docket be closed?
Recommendation: Yes. If no person whose interests are substantially affected by the proposed agency action files a protest within the 21-day protest period, this docket should be closed upon the issuance of a consummating order.

DECISION: The recommendations were approved.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

10**PAA **Docket No. 060393-TL** – Joint petition of BellSouth Telecommunications, Inc. and Embarq Florida, Incorporated d/b/a Sprint Florida to transfer territories in Volusia County and to amend certificates.
Critical Date(s): None
Commissioners Assigned: All Commissioners
Prehearing Officer: Administrative
Staff: CMP: Beard, Bulecza-Banks, Casey
GCL: Scott

Issue 1: Should the Commission approve the Joint Petition to Transfer Territories in Volusia County and to Amend Certificates?
Recommendation: Yes. The Commission should approve the Joint Petition to Transfer Territories in Volusia County and to Amend Certificates to allow the transfer of a portion of the Victoria Park Development, from the BellSouth Deland exchange to the Sprint Orange City exchange. This transfer should become effective and final upon the issuance of the Consummating Order in this docket.
Issue 2: Should this docket be closed?
Recommendation: Yes. If no protest is filed, this docket should be closed upon the issuance of a Consummating Order. If a protest is filed by a person whose substantial interests are affected within 21 days of the Order approving this petition, the docket should remain open pending further proceedings.

DECISION: The recommendations were approved.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

11** **Docket No. 060062-TX** – Compliance investigation of Campus

Communications Group, Inc. for apparent violation of Section 364.183(1), F.S., Access to Company Records.
Critical Date(s): None
Commissioners Assigned: All Commissioners
Prehearing Officer: Administrative
Staff: CMP: Watts, Ollila
GCL: Tan

Issue 1: Should the Commission accept Campus Communications Group, Inc.'s settlement offer to voluntarily contribute $1,000 to the Commission for deposit in the General Revenue Fund to resolve its apparent violation of Section 364.183(1), Florida Statutes?
Recommendation: Yes, the Commission should accept the company's settlement proposal.
Issue 2: Should this docket be closed?
Recommendation: If staff's recommendation in Issue 1 is approved, this docket should remain open pending Campus's remittance of the $1,000 voluntary contribution, made payable to the Florida Public Service Commission. If Campus fails to remit the contribution within 14 days after issuance of the order, its competitive local exchange company Certificate No. 4446 should be canceled. This docket should be closed administratively upon either receipt of the $1,000 contribution or upon cancellation of the company's certificate.

DECISION: The recommendations were approved.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

12**PAA **Docket No. 060221-TI** – Acknowledgment of cancellation of IXC Registration No. TJ815 by Fastcall Telecom, Inc., effective March 13, 2006.
Critical Date(s): None
Commissioners Assigned: All Commissioners
Prehearing Officer: Administrative
Staff: CMP: Isler
GCL: McKay

Issue 1: Should the Commission deny Fastcall Telecom, Inc., a voluntary cancellation of its IXC tariff and Registration No. TJ815 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 13, 2006?
Recommendation: Yes. The company should be denied a voluntary cancellation as listed on Attachment A of staff's July 6, 2006 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 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, Deason, Arriaga, Carter, Tew

13**PAA **Docket No. 060273-TI** – Acknowledgment of cancellation of IXC Registration No. TI416 by Phone Interactive Communications Corp., effective March 17, 2006.
Critical Date(s): None
Commissioners Assigned: All Commissioners
Prehearing Officer: Administrative
Staff: CMP: Isler
GCL: Tan

Issue 1: Should the Commission cancel Phone Interactive Communications Corp.'s Intrastate Interexchange Telecommunications (IXC) tariff and remove its name from the register on its own motion effective March 17, 2006; notify the Division of the Commission Clerk & Administrative Services that any unpaid Regulatory Assessment Fees should not be sent to the Florida Department of Financial Services and request permission to write off the uncollectible amount?
Recommendation: Yes, the company's IXC tariff and name should be cancelled on the Commission's own motion.
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 any entity 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. The company's IXC tariff should be cancelled administratively, the company's name should be removed from the register, and the collection of the past due Regulatory Assessment Fees, including statutory late payment charges, should not 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 upon cancellation of the company's tariff and removal from the register.

DECISION: The recommendations were approved.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

14**PAA **Docket No. 060336-TC** – Request for cancellation of PATS Certificate No. 1676 by Florida Telco, Inc., effective April 10, 2006.

Critical Date(s): None
Commissioners Assigned: All Commissioners
Prehearing Officer: Administrative
Staff: CMP: Isler
GCL: Wiggins

Issue 1: Should the Commission deny Florida Telco, Inc., a voluntary cancellation of its PATS Certificate No. 1676 and cancel the certificate on the Commission's own motion with an effective date of April 10, 2006?

Recommendation: Yes, the company should be denied a voluntary cancellation as listed on Attachment A of staff's July 6, 2006 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 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 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 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 certificate.

DECISION: The recommendations were approved.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

15** **Docket No. 060407-EI** – Petition for approval of revisions to optional curtailable service program, by Florida Power & Light Company.
Critical Date(s): 07/21/06 (60-day suspension date)
Commissioners Assigned: All Commissioners
Prehearing Officer: Administrative
Staff: ECR: Draper, Colson
GCL: Fleming

Issue 1: Should the Commission approve FPL's proposed revision to its curtailable service program?
Recommendation: Yes.
Issue 2: Should this docket be closed?
Recommendation: Yes. If Issue 1 is approved, this tariff should become effective on July 18, 2006. If a protest is filed within 21 days of the issuance of the order, the proposed 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, Deason, Arriaga, Carter, Tew

16 **Docket No. 060220-EC** – Petition for determination of need for Seminole Generating Station Unit 3 electrical power plant in Putnam County, by Seminole Electric Cooperative, Inc.
Critical Date(s): 07/24/06 (Commission decision required by Rule 25-22.080.F.A.C.
Commissioners Assigned: All Commissioners
Prehearing Officer: Arriaga
Staff: ECR: Colson, Gardner, Lingo, Stallcup, Windham
GCL: Brown

Issue 1: Is there a need for the proposed Seminole Generating Station Unit 3, taking into account the need for electric system reliability and integrity, as this criterion is used in Section 403.519, Florida Statutes?
Recommendation: Yes. Seminole has projected its future needs based upon serving seven of the ten member distribution cooperatives (members) that have signed contract extensions. Based on reasonable projected load growth and the expiration of existing power purchase contracts, Seminole has identified a need for additional capacity of approximately 1200 MW by 2012, of

which at least 750 MW needs to be base load capacity.

Issue 2: Is there a need for the proposed Seminole Generating Station Unit 3, 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. Seminole's analyses show that at least 750 MW of Seminole's capacity need in 2012 should be base load type capacity for reasons of economics. With current projections, SGS Unit 3 is expected to provide adequate electricity at a reasonable cost. If SGS Unit 3 is not constructed, Seminole's members and their consumers will face significantly higher costs and greater price uncertainty.

Issue 3: Is the proposed Seminole Generating Station Unit 3 the most cost-effective alternative available, as this criterion is used in Section 403.519?

Recommendation: Yes. SGS Unit 3 is the most cost-effective alternative available to Seminole, its members and their consumers to meet their base load capacity needs in 2012. Seminole's comprehensive evaluation of alternatives shows that SGS Unit 3 is more cost-effective than market-based and self-build alternatives, saving almost $500 million relative to an all gas alternative.

Issue 4: Are there any conservation measures taken by or reasonably available to Seminole Electric Cooperative, Inc. which might mitigate the need for the proposed power plant?

Recommendation: No. Seminole's members currently have 237 MW of DSM in the form of load control Switches, voltage control, and distributed generation. Even after consideration of such conservation and DSM efforts, Seminole has a capacity need of over 750 MW in 2012. No additional DSM and conservation measures have been identified that would cost-effectively mitigate the need for SGS Unit 3.

Issue 5: Based on the resolution of the foregoing issues, should the Commission grant Seminole Electric Cooperative, Inc.'s petition to determine the need for the proposed Seminole Generating Station Unit 3?

Recommendation: Yes. Seminole has satisfied each of the statutory criteria for a determination of need, and Seminole, its Members and their consumers would suffer significant adverse consequences if such a determination were not granted. Seminole should continue to monitor the cost-effectiveness of SGS Unit 3 prior to committing substantial capital dollars.

Issue 6: Should this docket be closed?

Recommendation: Yes. When the Commission has issued its final order in the case and the time for reconsideration has passed, this docket should be closed.

DECISION: The recommendations were approved with an oral modification

made to the staff analysis in Issue 1 at the conference.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

17 **Docket No. 060406-SU** – Application for staff-assisted rate case in Polk County by Crooked Lake Park Sewerage Company.
Critical Date(s): 07/18/06 (60-day suspension date)
Commissioners Assigned: All Commissioners
Prehearing Officer: Tew
Staff: ECR: Hudson, Rendell
GCL: Jaeger

Issue 1: Should the Crooked Lake's request for interim rates be approved?
Recommendation: Yes, Crooked Lake's request for interim rates should be approved. The utility should be granted a 50.18% interim rate increase. If the utility submits revised tariffs reflecting the Commission's decision on interim rates, staff recommends it be given administrative authority to approve the submitted tariffs. The approved rates should be effective for service rendered as of the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), Florida Administrative Code, provided customers have received notice. The rates should not be implemented until staff verifies that the tariff sheets are consistent with the Commission decision, the proposed customer notice is adequate, and the required security has been filed. The utility should provide proof of the date notice was given within 10 days after the date of the notice.
Issue 2: What is the appropriate security to guarantee the interim rate increase?
Recommendation: The utility should be required to file a bond, letter of credit, or escrow agreement as security to guarantee any potential refunds of revenues collected under interim conditions. Pursuant to Rule 25-30.360(6), Florida Administrative Code, the utility shall provide a report by the 20th of each month indicating the monthly and total revenue collected subject to refund.
Issue 3: Should this docket be closed?
Recommendation: No. This docket should remain open to process the utility's staff-assisted rate case.

DECISION: The recommendations were approved.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

18**PAA **Docket No. 050587-WS** – Application for staff-assisted rate case in Charlotte County by MSM Utilities, LLC.
Critical Date(s): 02/03/07 (15-month statutory effective date - SARC)
Extended to 05/02/07 by utility
Commissioners Assigned: All Commissioners
Prehearing Officer: Deason
Staff: ECR: Merta, Fletcher, Lingo, Massoudi, Rendell
GCL: Jaeger

Issue 1: Is the quality of service provided by MSM Utilities, LLC satisfactory?
Recommendation: Yes. The quality of service provided by MSM Utilities, LLC should be considered satisfactory.

DECISION: The recommendation was approved.

Issue 2: Does the utility have excessive unaccounted for water and, if so, are adjustments necessary?
Recommendation: Yes. The Utility had approximately 5% excessive unaccounted for water during the test year period. Therefore, allowable expenses for purchased electricity and chemicals should be reduced by 5% for the WTP during the test year period.

DECISION: The recommendation was approved.

Issue 3: What are the used and useful percentages for MSM's water and wastewater systems?
Recommendation:

Water Treatment System	**84%**
Storage Tank	100%
Water Distribution System	100%
Wastewater Treatment Plant	47.79%
Wastewater Collection Systems	100%

DECISION: The recommendation was denied. Staff's revised analysis was approved, with water used and useful at 80.79%, wastewater at 58.32%. Staff will make fallout adjustments to Issues 4 through 17 as needed.

Issue 4: What is the appropriate average test year rate base for this utility?
Recommendation: The appropriate average test year rate base for this utility is $50,195 for water and $28,734 for wastewater.

DECISION: The recommendation was approved.

Issue 5: What is the appropriate rate of return on equity and the appropriate overall rate of return for this utility?
Recommendation: The appropriate return on equity is 8.97% with a range of 7.97% - 9.97%. The appropriate overall rate of return is 8.55%.

DECISION: The recommendation was approved.

Issue 6: What are the appropriate test year revenues?
Recommendation: To reflect the correct meter readings for residential customers, to impute the appropriate amount for general service customers, and to mitigate high rates and produce more reasonable ones for the existing customers by including 50 additional customers, revenues should be increased by $34,166 for water and by $15,606 for wastewater revenues.

DECISION: The recommendation was approved.

Issue 7: What is the appropriate amount of operating expenses?
Recommendation: The appropriate amount of operating expense for the utility is $72,678 for water and $52,097 for wastewater.

DECISION: The recommendation was approved.

Issue 8: What is the appropriate revenue requirement?
Recommendation: The appropriate revenue requirement is $76,969 for water and $54,553 for wastewater.

DECISION: The recommendation was approved as modified by staff to account for the used and useful adjustment and to correct error.

Issue 9: Are continuations of the utility's current rate structures for its water and wastewater systems appropriate in this case, and, if not, what are the appropriate rate structures for the respective systems?
Recommendation: No. The utility's current three-tier inclining

block water system rate structure for residential service should be changed to reflect usage blocks of: a) 0-7,000 gallons (7 kgal); b) 7.001-14 kgal; and c) usage in excess of 14 kgal. The usage block rate factors should be changed to 1.0, 1.25 and 1.5, respectively, with the post-repression base facility charge (BFC) cost recovery percentage set at 35%. As the utility has no approved, tariffed water charges for the general service class, staff recommends that the rate structure be based on the traditional BFC/gallonage charge cost recovery methodology, with the kgal charge based on a uniform water kgal charge. The utility's current wastewater system rate structure should also be changed to include charges for general service customers, based on the traditional BFC/gallonage charge cost recovery methodology. The general service kgal charge should have no cap on billed usage, and should be 1.2 times greater than the corresponding residential wastewater kgal charge. The BFC cost recovery should be set at 60%.

DECISION: The recommendation was approved.

Issue 10: Are adjustments to reflect repression of consumption due to the price changes and changes in rate structure appropriate in this case, and, if so, what are the appropriate repression adjustments for the water and wastewater systems?
Recommendation: Yes, repression adjustments are appropriate for both the water and wastewater systems. Residential consumption should be reduced by 11.9%, resulting in a consumption reduction of approximately 817.2 kgal. The resulting total water consumption for ratesetting is 6,165.5 kgal. Residential wastewater usage, capped at 10 kgal, should be reduced by ~~7.2%~~ 9.5%, resulting in a consumption reduction of approximately 504.7 kgal. The resulting total wastewater consumption for ratesetting is 4,964.9 kgal. In order to monitor the effects of both the changes in rate structures and revenues, the utility should prepare monthly reports for the water and wastewater systems, detailing the number of bills rendered, the consumption billed by usage block, and the revenues billed.

These reports should be provided to staff. In addition, these reports should be prepared, by customer class and meter size, on a quarterly basis for a period of two years, beginning the first billing period after the approved rates go into effect.

DECISION: The recommendation was approved with the noted correction, as made by staff at the conference.

Issue 11: What are the appropriate monthly rates for each system?
Recommendation: The appropriate water and wastewater monthly rates are shown on Schedule Nos. 4-A and 4-B of staff's July 6, 2006 memorandum, respectively. The recommended rates should be designed to produce revenue of $76,969 for water and $54,553 for wastewater. The utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), Florida Administrative Code. In addition, the approved rates should not be implemented until staff has approved the proposed customer notice and the notice has been received by the customers. The utility should provide proof of the date notice was given no less than 10 days after the date of the notice.

DECISION: The recommendation was approved. Rates will remain unchanged because the utility has agreed to accept less than compensatory rates.

Issue 12: Should the recommended rates be approved for the utility on a temporary basis, subject to refund, in the event of a protest by a party other than the utility?
Recommendation: Yes. Pursuant to Section 367.0814(7), Florida Statutes, the recommended rates should be approved for the utility on a temporary basis, subject to refund, in the event of a protest filed by a party other than the utility. Prior to implementation of any temporary rates, the utility should provide appropriate security. If the recommended rates are approved on a temporary basis, the rates collected by the utility shall be subject to the refund provisions discussed in the analysis in staff's memorandum. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), Florida Administrative Code, the utility should file reports with the Commission's Division of Economic Regulation no later than the 20th of each month

indicating the monthly and total amount of money subject to refund at the end of the preceding month. The report filed should also indicate the status of the security being used to guarantee repayment of any potential refund.

DECISION: The recommendation was approved.

Issue 13: What is the appropriate amount by which rates should be reduced four years after the established effective date to reflect the removal of the amortized rate case expense as required by Section 367.0816, Florida Statutes?
Recommendation: The water and wastewater rates should be reduced as shown on Schedule Nos. 4-A and 4-B of staff's memorandum, to remove rate case expense grossed up for regulatory assessment fees and amortized over a four-year period. The decrease in rates should become effective immediately following the expiration of the four-year rate case expense recovery period, pursuant to Section 367.0816, Florida Statutes. The utility should be required to file revised tariffs and a proposed customer notice setting forth the lower rates and the reason for the reduction no later than one month prior to the actual date of the required rate reduction. If the utility files this reduction in conjunction with a price index or pass-through rate adjustment, separate data should be filed for the price index and/or pass-through increase or decrease and the reduction in the rates due to the amortized rate case expense.

DECISION: The recommendation was approved.

Issue 14: Should the utility be authorized to collect service availability charges, and, if so, what are the appropriate charges?
Recommendation: Yes. The Commission should approve plant capacity charges per ERC of $638.10 for water and $1,762.40 for wastewater, and approve a main extension policy which provides that, for new developments, the water distribution and wastewater collection systems be contributed. In addition, the utility should be authorized to collect meter installation fees of $180 for 5/8" x 3/4" meters and actual cost for all others. If there is no timely protest by a substantially affected person, the utility should file the appropriate tariff sheets within ten days of the issuance of the Consummating Order for the Commission-approved tariff changes. Staff should be given administrative authority to approve the tariff sheets upon staff's verification the tariff is consistent with the Commission's decision. If the tariff sheets are filed and approved, the tariff sheets should become effective on or after the stamped approval date. Within ten days of the issuance of the Consummating Order for the Commission-approved tariff changes,

the utility shall also provide notice of the Commission's decision to all persons in the service area who are affected by the recommended plant capacity charges and meter installation fee and the authorization to collect donated property. The notice should be approved by Commission staff prior to distribution. The utility should provide proof the appropriate customers or developers have received notice within ten days of the date of the notice. In the event of a protest, the utility should be allowed to collect staff's recommended charges, subject to refund. The utility should file revised tariff sheets and proposed customer notice prior to implementation. These charges should be implemented on a temporary basis pending resolution of the protest.

DECISION: The recommendation was approved.

Issue 15: Should the utility be authorized to collect customer deposits, and, if so, what are the appropriate charges?

Recommendation: Yes. The utility should be authorized to collect customer deposits. The appropriate customer deposit should be the recommended charge as specified in the staff analysis. The utility should file revised tariff sheets which are consistent with the Commission's vote. Staff should be given administrative authority to approve the revised tariff sheets upon staff's verification the tariffs are consistent with the Commission's decision. If revised tariff sheets are filed and approved, the customer deposit should become effective for connections made on or after the stamped approval date of the revised tariff sheets.

DECISION: The recommendation was approved.

Issue 16: Should the utility be authorized to revise its miscellaneous service charges, and, if so, what are the appropriate charges?

Recommendation: Yes. The utility should be authorized to revise its miscellaneous service charges. The appropriate charges are reflected in staff's memorandum. The utility should file a proposed customer notice to reflect the Commission-approved charges. The approved charges 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, provided the notice has been approved by staff. Within 10 days of the date the order is final, the utility should be required to provide notice of the tariff changes to all customers. The utility should provide proof the customers have received notice within 10 days

after the date that the notice was sent.

DECISION: The recommendation was approved.

Issue 17: Should this docket be closed?
Recommendation: No. If no person whose substantial interests are affected by the proposed agency action files a protest within twenty-one days of the issuance of the order, a consummating order will be issued. The docket should remain open for staff's verification that the revised tariff sheets and customer notice have been filed by the utility and approved by staff. Once these actions are complete, this docket should be closed administratively.

DECISION: The recommendation was approved.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

19 **Docket No. 060254-SU** – Application for increase in wastewater rates in Pinellas County by Mid-County Services, Inc.
Critical Date(s): 07/18/06 (60-day suspension date)
Commissioners Assigned: All Commissioners
Prehearing Officer: Arriaga
Staff: ECR: Revell, Rendell, Massoudi, Springer
GCL: Gervasi

Issue 1: Should the utility's proposed wastewater rates be suspended?
Recommendation: Yes. Mid-County's proposed wastewater rates should be suspended.
Issue 2: Should an interim revenue increase be approved?
Recommendation: Yes. On an interim basis, the utility should be authorized to collect annual wastewater revenues as indicated below:

	Test Year Revenues	$ Increase	Revenue Requirement	% Increase
Wastewater	$1,392,117	$142,169	$1,534,286	10.21%

Issue 3: What are the appropriate interim wastewater rates?
Recommendation: The service rates for Mid-County in effect as of December 31, 2005, should be increased by 10.22% to generate the recommended revenue increase for the interim period. The approved rates should be effective for service rendered as of the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), Florida Administrative Code, provided the customers have received notice. The revised tariff sheets should be approved upon staff's verification that the tariff sheets are consistent with the Commission's decision, that the proposed notice to the customers is adequate, and that the required security discussed in Issue 4 has been filed. Also, the rates should not be implemented until the required security has been filed. The utility should provide proof to staff of the date notice was given within 10 days after the date of notice.

Issue 4: What is the appropriate security to guarantee the interim increase?
Recommendation: A corporate undertaking is acceptable contingent upon receipt of the written guarantee of the parent company, Utilities, Inc. (UI), and written confirmation of UI's continued attestation that it does not have any outstanding guarantees on behalf of UI-owned utilities in other states. UI should be required to file a corporate undertaking on behalf of its subsidiaries to guarantee any potential refunds of revenues collected under interim conditions. UI's total guarantee should be a cumulative amount of $718,575, which includes an amount of $84,119 subject to refund in this docket. 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 5: Should this docket be closed?
Recommendation: No. The docket should remain open pending the Commission's final action on the utility's requested rate increase.

DECISION: The recommendations were approved.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

20 **Docket No. 060255-SU** – Application for increase in wastewater rates in Pinellas County by Tierra Verde Utilities, Inc.
Critical Date(s): 07/18/06 (60-day suspension date)
Commissioners Assigned: All Commissioners
Prehearing Officer: Arriaga
Staff: ECR: Merta, Rendell, Springer
GCL: Brown

Issue 1: Should the utility's proposed final wastewater rates be suspended?
Recommendation: Yes. Tierra Verde's proposed final wastewater rates should be suspended.
Issue 2: Should an interim revenue increase be approved?
Recommendation: Yes. The utility should be authorized to collect annual wastewater revenues as indicated below:

	Adjusted Test Year Revenues	$ Increase	Revenue Requirement	% Increase
Wastewater	$618,404	$109,767	$728,171	17.75%

Issue 3: What are the appropriate interim wastewater rates?
Recommendation: The wastewater service rates for Tierra Verde in effect as of December 31, 2005, should be increased by 17.75% to generate the recommended revenue increase for the interim period. The approved rates should be effective for service rendered as of the stamped approval date on the tariff sheets

pursuant to Rule 25-30.475(1)(a), F.A.C. The rates should not be implemented until staff verifies that the tariff sheets are consistent with the Commission decision, the proposed customer notice is adequate, and the required security has been filed. The utility should provide proof of the date notice was given within 10 days after the date of notice.

Issue 4: What is the appropriate security to guarantee the interim increase?

Recommendation: A corporate undertaking is acceptable contingent upon receipt of the written guarantee of the parent company, Utilities, Inc. (UI), and written confirmation of UI's continued attestation that it does not have any outstanding guarantees on behalf of UI-owned utilities in other states. UI should be required to file a corporate undertaking on behalf of its subsidiaries to guarantee any potential refunds of revenues collected under interim conditions. UI's total guarantee should be a cumulative amount of $718,575, which includes an amount of $64,969 subject to refund in this docket. 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 5: Should this docket be closed?

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

DECISION: The recommendations were approved.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

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

Critical Date(s): 07/18/06 (60-day suspension date)
Commissioners Assigned: All Commissioners
Prehearing Officer: Arriaga
Staff: ECR: Fletcher, Rendell, Springer
GCL: Jaeger

Issue 1: Should the utility's proposed final wastewater rates be suspended?

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

Issue 2: Should any interim revenue increase be approved?

Recommendation: Yes, the utility should be authorized to collect annual wastewater revenues as indicated below:

	Adjusted Test Year Revenues	$ Increase	Revenue Requirement	% Increase
Wastewater	$2,858,086	$539,070	$3,397,156	18.86%

Issue 3: What are the appropriate interim wastewater rates?
Recommendation: The wastewater service rates for Alafaya in effect as of December 31, 2005, should be increased by 18.92% to generate the recommended revenue increase for the interim period. The approved rates should be effective for service rendered as of the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1)(a), F.A.C., provided customers have received notice. The rates should not be implemented until staff verifies that the tariff sheets are consistent with the Commission decision, the proposed customer notice is adequate, and the required security has been filed. The utility should provide proof of the date notice was given within 10 days after the date of notice.
Issue 4: What is the appropriate security to guarantee the interim increase?
Recommendation: A corporate undertaking is acceptable contingent upon receipt of the written guarantee of the parent company, Utilities, Inc. (UI), and written confirmation of UI's continued attestation that it does not have any outstanding guarantees on behalf of UI-owned utilities in other states. UI should be required to file a corporate undertaking on behalf of its subsidiaries to guarantee any potential refunds of revenues collected under interim conditions. UI's total guarantee should be a cumulative amount of $718,575, which includes an amount of $319,065 subject to refund in this docket. 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 5: Should the docket be closed?
Recommendation: No. The docket should remain open pending the Commission's final action on the utility's requested rate increase.

DECISION: The recommendations were approved.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

22 **Docket No. 060257-WS** – Application for increase in water and wastewater rates in Polk County by Cypress Lakes Utilities, Inc.
Critical Date(s): 07/18/06 (60-day suspension date)
Commissioners Assigned: All Commissioners
Prehearing Officer: Arriaga
Staff: ECR: Revell, Edwards, Rendell, Springer
GCL: Fleming

Issue 1: Should the proposed water and wastewater rates be suspended?
Recommendation: Yes. Cypress Lake's proposed water and wastewater rates should be suspended.

Issue 2: Should an interim revenue increase be granted?
Recommendation: Yes. On an interim basis, the utility should be authorized to collect annual water and wastewater revenues as indicated below:

	Test Year Revenues	$ Increase	Revenue Requirement	% Increase
Water	$248,357	$23,640	$271,997	9.52%
Wastewater	$360,237	$76,918	$437,155	21.35%

Issue 3: What are the appropriate interim water and wastewater rates?
Recommendation: The service rates for Cypress Lakes in effect as of December 31, 2005, should be increased by 9.60% for water and 21.53% for wastewater to generate the recommended revenue increase for the interim period. The approved rates should be effective for service rendered as of the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), Florida Administrative Code, provided the customers have received notice. Also, the rates should not be implemented until the required security has been filed. The utility should provide proof to staff of the date notice was given within 10 days after the date of notice.
Issue 4: What is the appropriate security to guarantee the interim increase?
Recommendation: A corporate undertaking is acceptable contingent upon receipt of the written guarantee of the parent company, Utilities, Inc. (UI), and written confirmation of UI's continued attestation that it does not have any outstanding guarantees on behalf of UI-owned utilities in other states. UI should be required to file a corporate undertaking on behalf of its subsidiaries to guarantee any potential refunds of revenues collected under interim conditions. UI's total guarantee should be a cumulative amount of $718,575, which includes an amount of $58,956 subject to refund in this docket. 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 5: Should this docket be closed?
Recommendation: No. The docket should remain open pending the Commission's final action on the utility's requested rate increase.

DECISION: The recommendations were approved.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

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

Critical Date(s): 07/18/06 (60-day suspension date)
Commissioners Assigned: All Commissioners
Prehearing Officer: Arriaga
Staff: ECR: Fletcher, Rendell, Springer
GCL: Brubaker

Issue 1: Should the utility's proposed final water and wastewater rates be suspended?
Recommendation: Yes. Sanlando's proposed final water and wastewater rates should be suspended.
Issue 2: Should any interim revenue increases be approved?
Recommendation: Yes, the utility should be authorized to collect annual water and wastewater revenues as indicated below:

	Adjusted Test Year Revenues	$ Increase	Revenue Requirement	% Increase
Water	$2,085,957	$12,315	$2,098,272	0.59%
Wastewater	$3,331,684	$99,409	$3,431,093	2.98%

Issue 3: What are the appropriate interim water and wastewater rates?
Recommendation: The water and wastewater service rates for Sanlando in effect as of December 31, 2005, should be increased by 0.59% and 3.00%, respectively, to generate the recommended revenue increase for the interim period. The approved rates should be effective for service rendered as of the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1)(a), F.A.C. The rates should not be implemented until staff verifies that the tariff sheets are consistent with the Commission decision, the proposed customer notice is adequate, and the required security has been filed. The utility should provide proof of the date notice was given within 10 days after the date of notice.
Issue 4: What is the appropriate security to guarantee the interim increase?
Recommendation: A corporate undertaking is acceptable contingent upon receipt of the written guarantee of the parent company, Utilities, Inc. (UI), and written confirmation of UI's continued attestation that it does not have any outstanding guarantees on behalf of UI-owned utilities in other states. UI should be required to file a corporate undertaking on behalf of its subsidiaries to guarantee any potential refunds of revenues collected under interim conditions. UI's total guarantee should be a cumulative amount of $718,575, which includes an amount of $66,127 subject to refund in this docket. 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 5: Should the docket be closed?

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

DECISION: The recommendations were approved.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

24 **Docket No. 060260-WS** – Application for increase in water and wastewater rates in Highlands County by Lake Placid Utilities, Inc.
Critical Date(s): 07/18/06 (60-day suspension date)
Commissioners Assigned: All Commissioners
Prehearing Officer: Arriaga
Staff: ECR: Joyce, Rendell, Rieger
GCL: Fleming

Issue 1: Should the utility's proposed water and wastewater rates be suspended?
Recommendation: Yes. Lake Placid's proposed water and wastewater rates should be suspended. The docket should remain open pending the Commission's final action on the utility's requested rate increase.
Issue 2: Should an interim revenue increase be approved?
Recommendation: No. The utility should not be authorized to collect an interim wastewater revenue increase.
Issue 3: Should this docket be closed?
Recommendation: No. The docket should remain open pending the Commission's final action on the utility's requested rate increase.

DECISION: The recommendations were approved.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

25 **Docket No. 060261-WS** – Application for increase in water and wastewater rates in Lake County by Utilities, Inc. of Pennbrooke.
Critical Date(s): 07/18/06 (60-day suspension date)
Commissioners Assigned: All Commissioners
Prehearing Officer: Arriaga
Staff: ECR: Merta, Rendell, Springer
GCL: Brubaker

Issue 1: Should the utility's proposed final water and wastewater rates be suspended?
Recommendation: Yes. Pennbrooke's proposed final water and wastewater rates should be suspended.
Issue 2: Should an interim revenue increase be approved?
Recommendation: Yes. The utility should be authorized to collect annual wastewater revenues as indicated below.

	Adjusted Test Year Revenues	$ Increase	Revenue Requirement	% Increase
Wastewater	307,958	114,155	422,113	37.07%

Issue 3: What are the appropriate interim wastewater rates?
Recommendation: The wastewater service rates for Pennbrooke in effect as of December 31, 2005, should be increased by 37.31% to generate the recommended revenue increase for the interim period. The approved rates should be effective for service rendered as of the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1)(a), F.A.C. The rates should not be implemented until staff verifies that the tariff sheets are consistent with the Commission decision, the proposed customer notice is adequate, and the required security has been filed. The utility should provide proof of the date notice was given within 10 days after the date of notice.
Issue 4: What is the appropriate security to guarantee the interim increase?
Recommendation: A corporate undertaking is acceptable contingent upon receipt of the written guarantee of the parent company, Utilities, Inc. (UI), and written confirmation of UI's continued attestation that it does not have any outstanding guarantees on behalf of UI-owned utilities in other states. UI should be required to file a corporate undertaking on behalf of its subsidiaries to guarantee any potential refunds of revenues collected under interim conditions. UI's total guarantee should be a cumulative amount of $718,575, which includes an amount of $67,566 subject to refund in this docket. 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 5: Should this docket be closed?
Recommendation: No. The docket should remain open pending the Commission's final action on the utility's requested rate increase.

DECISION: The recommendations were approved.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

26 **Docket No. 060262-WS** – Application for increase in water and wastewater rates in Pasco County by Labrador Utilities, Inc.
Critical Date(s): 07/18/06 (60-day suspension date)
Commissioners Assigned: All Commissioners
Prehearing Officer: Arriaga
Staff: ECR: Joyce, Rendell, Springer
GCL: Keating

Issue 1: Should the utility's proposed water and wastewater rates be suspended?
Recommendation: Yes. Labrador's proposed water and

wastewater rates should be suspended. The docket should remain open pending the Commission's final action on the utility's requested rate increase.

Issue 2: Should an interim revenue increase be approved?

Recommendation: Yes. On an interim basis, the utility should be authorized to collect annual revenues as indicated below:

System	Adjusted TY Revenues	$ Increase	Revenue Requirement	% Incre
Water	$150,773	$45,319	$196,092	30.06
Wastewater	$344,008	$51,294	$395,901	14.91

Issue 3: What are the appropriate interim water and wastewater rates?

Recommendation: The water and wastewater service rates for Labrador in effect as of December 31, 2005, should be increased by 30.06% and 14.91%, respectively, to generate the recommended revenue increase for the interim period. The approved rates should be effective for service rendered as of the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1)(a), Florida Administrative Code. The rates should not be implemented until staff verifies that the tariff sheets are consistent with the Commission decision, the proposed customer notice is adequate, and the required security has been filed. The utility should provide proof of the date notice was given within 10 days after the date of notice.

Issue 4: What is the appropriate security to guarantee the interim increase?

Recommendation: A corporate undertaking is acceptable contingent upon receipt of the written guarantee of the parent company, Utilities, Inc. (UI), and written confirmation of UI's continued attestation that it does not have any outstanding guarantees on behalf of UI-owned utilities in other states. UI should be required to file a corporate undertaking on behalf of its subsidiaries to guarantee any potential refunds of revenues collected under interim conditions. UI's total guarantee should be a cumulative amount of $718,575, which includes an amount of $57,183 subject to refund in this docket. 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 5: Should this docket be closed?

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

DECISION: The recommendations were approved.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

27** **Docket No. 060285-SU** – Application for increase in wastewater rates in Charlotte County by Utilities, Inc. of Sandalhaven.
Critical Date(s): 07/18/06 (60-day suspension date)
Commissioners Assigned: All Commissioners
Prehearing Officer: Carter
Staff: ECR: Biggins, Rendell
GCL: Brown

Issue 1: Should the Commission suspend Utilities Inc. of Sandalhaven's proposed wastewater rate increase?
Recommendation: Yes. The Commission should suspend the proposed rate increase.
Issue 2: Should this docket be closed?
Recommendation: No. The docket should remain open pending the Commission's final action on the utility's requested rate increase.

DECISION: The recommendations were approved.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

28** **Docket No. 050595-WS** – Application for certificates to provide water and wastewater service in Polk County by Four Points Utility Corporation.
Critical Date(s): None
Commissioners Assigned: All Commissioners
Prehearing Officer: Deason
Staff: ECR: Johnson, Kaproth, Walden
GCL: Gervasi

Issue 1: Should Four Points Utility Corporation be ordered to show cause, in writing within 21 days, as to why it should not be fined for providing water and wastewater service to the public for compensation without first obtaining certificates of authorization and without obtaining the approval of the Commission to charge rates and charges, in apparent violation of Sections 367.045, 367.081(1), and 367.091(3), Florida Statutes, and Rules 25-30.034 (1)(g) and 25-30.135, Florida Administrative Code?
Recommendation: Yes. Four Points Utility Corporation should be ordered to show cause, in writing within 21 days, as to why it should not be fined in the amount of $5,000 for providing water and wastewater service to the public for compensation without first obtaining certificates of authorization and without obtaining the approval of the Commission to charge rates and charges, in apparent violation of Sections 367.031, 367.081(1), and 367.091 (3), Florida Statutes, and Rules 25-30.032(1), 25-30.034(1)(g) and 25-30.135, Florida Administrative Code. The order to show cause should incorporate the conditions set forth in the analysis in staff's July 6, 2006 memorandum.
Issue 2: Should the utility be authorized to continue charging its

current rates on a temporary basis and subject to refund with interest?

Recommendation: Yes. The utility should be authorized on a temporary basis to continue charging its current rates and hold 44% of its revenues subject to refund pending the final outcome of this proceeding. If the final rates are lower than the current rates, the applicant should be required to refund the difference, with interest, pursuant to Rule 25-30.360, Florida Administrative Code. The utility should be required to provide evidence of a bond, letter of credit, or escrow account as security in the amount of $77,050 to guarantee the refund by August 16, 2006. Pursuant to Rule 25-30.360(6), Florida Administrative Code, the utility should file reports with the Commission's Division of Economic Regulation no later than the 20th of each month indicating the monthly and total amount of revenues billed and the amount subject to refund at the end of the preceding month until the final order is issued. The report filed should also indicate the status of the security being used to guarantee repayment of any potential refund. Further, the Commission should prohibit the utility from disconnecting service for failure to pay contested bills for any utility service subject to the Commission's jurisdiction while the Commission is investigating these matters.

Issue 3: Should this docket be closed?

Recommendation: No. This docket should remain open pending a ruling on the application for certificates of authorization after a hearing is held on the matter.

DECISION: This item was deferred.

29** **Docket No. 060009-WS** – Application by Floridana Homeowners, Inc. for transfer of facilities to Floridana Homeowners Association, Inc., and for cancellation of Certificate Nos. 586-W and 504-S in Manatee County.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Deason

Staff: ECR: Brady, Marsh
GCL: Jaeger

Issue 1: Should the transfer of facilities from Floridana Homeowners, Inc. to Floridana Homeowners Association, Inc. and the cancellation of Certificate Nos. 586-W and 504-S be approved?

Recommendation: Yes. The transfer of facilities is in the public interest and should be approved. Certificate Nos. 586-W and 504-S should be cancelled effective February 4, 2005.

Issue 2: Should this docket be closed?

Recommendation: Yes. Since there are no pending issues, the docket should be closed upon the issuance of the Commission's final order.

DECISION: The recommendations were approved.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

30** **Docket No. 040793-SU** – Application for grandfather certificate to operate wastewater utility in Okeechobee County by Zachary Taylor Camping and Lodge, Inc.
Critical Date(s): None
Commissioners Assigned: All Commissioners
Prehearing Officer: Tew
Staff: ECR: Brady, Redemann, Romig
GCL: Fleming

Issue 1: Should Zachary Taylor Camping and Lodge, Inc.'s application for a grandfather certificate be approved?
Recommendation: Yes. The application should be approved and the utility should be issued Certificate No. 538-S, effective May 13, 2004, to serve the territory described in Attachment A of staff's July 6, 2006 memorandum.

PAA **Issue 2**: What are the appropriate rates and charges for Zachary Taylor Camping and Lodge, Inc.?
Recommendation: The current monthly general service flat rate of $23.10 per unit for Taylor Creek should be continued. In addition, the utility should be authorized to charge $23.10 for each lot and common facility in the RV Park. Any monthly charges for the RV Park not collected should be imputed. The utility should be required to charge this rate until authorized to change it by this Commission in a subsequent proceeding. The utility should also be required to provide a tariff reflecting the Commission-approved rate within 30 days from the date of the Consummating Order. Pursuant to Rule 25-30.475(1), Florida Administrative Code, the effective date of the tariffs should be the stamped approval date.
Issue 3: Should this docket be closed?
Recommendation: No. If no timely protest is received to the proposed agency action issue on rates and charges, the Order will become final upon the issuance of a Consummating Order. However, the docket should remain open pending receipt of revised tariff sheets reflecting the Commission-approved rate. Upon receipt and verification of the revised tariff sheets, the docket should be administratively closed.

DECISION: The recommendations were approved.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

31** **Docket No. 060431-WS** – Request for approval of implementation of security deposits for water and wastewater systems in Pasco County by Paradise Lakes Utility, L.L.C.
Critical Date(s): 09/02/05 (60-day suspension date)
Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative
Staff: ECR: Biggins, Rendell
GCL: Bennett

Issue 1: Should Paradise Lakes' proposed tariff changes be suspended?
Recommendation: Yes. Paradise Lakes' proposed tariff changes should be suspended.
Issue 2: Should this docket be closed?
Recommendation: No. The docket should remain open pending the Commission's final action on the utility's requested tariff changes.

DECISION: The recommendations were approved.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

32**PAA **Docket No. 060481-WU** – Determination of Florida Public Service Commission jurisdiction for provision of water service in Columbia County by Lance Water System.
Critical Date(s): None
Commissioners Assigned: All Commissioners
Prehearing Officer: Administrative
Staff: ECR: Redemann, Johnson
GCL: Fleming

Issue 1: Is Lance Water System exempt from Public Service Commission jurisdiction pursuant to Section 367.022(6), Florida Statutes, as a small system?
Recommendation: No. Lance Water is not exempt from Public Service Commission jurisdiction. Lance Water should be ordered to submit an original certificate application pursuant to Section 367.045, Florida Statutes, and Rule 25-30.033, Florida Administrative Code, within 60 days from the date of the consummating order. In addition, the utility should be put on notice not to change rates until the jurisdictional status of the utility is resolved. Staff will bring a recommendation to the Commission if it is determined that the current rates should be subject to refund.

DECISION: The recommendation was denied.

Issue 2: Should this docket be closed?
Recommendation: No. If no timely protest is received, the docket will be closed upon the issuance of a consummating order. ~~The docket should remain open to process the original certificate application for Lance Water System~~.

DECISION: The recommendation was approved with the noted modification.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

33** **Docket No. 060165-WS** – Application for amendment of Certificates 455-W and 389-S to extend water and wastewater service areas in Flagler and Volusia Counties and request for approval of special service availability agreements by Plantation Bay Utility Co.

Critical Date(s): None
Commissioners Assigned: All Commissioners
Prehearing Officer: Arriaga
Staff: ECR: Redemann
GCL: Jaeger

Issue 1: Should the Commission approve the application to amend Certificate Nos. 455-W and 389-S in Flagler County by Plantation Bay Utility Co.?

Recommendation: Yes. The Commission should approve Plantation Bay Utility Co.'s amendment application to add the Reserve at Flagler and Dixie Commons. The proposed territory is described in Attachment A of staff's July 6, 2006 memorandum. The utility should charge the customers in the added territory the monthly service rates contained in its current tariff until authorized to change by the Commission.

PAA **Issue 2**: Should the special developer agreements be approved?

Recommendation: Yes. The special developer agreements with The 84 Acres Limited Partnership and the Lighthouse Development Group, Inc. should be approved. In the event a timely protest is filed by a substantially affected person, the charge should remain in effect and any increased charges collected should be held subject to refund pending resolution of the protest.

Issue 3: Should this docket be closed?

Recommendation: Yes. If no protest to the approved special developer agreements is filed by a substantially affected person within 21 days of the issuance of this Order, the docket should be closed upon issuance of a Consummating Order.

DECISION: The recommendations were approved.

Commissioners participating: Edgar, Deason, Arriaga, Carter, Tew

34** **Docket No. 050281-WS** – Application for increase in water and wastewater rates in Volusia County by Plantation Bay Utility Company.

Critical Date(s): 11/29/06 (8-month effective date)
Commissioners Assigned: Deason, Arriaga, Carter
Prehearing Officer: Deason
Staff: ECR: Fletcher, Rendell
GCL: Gervasi

Issue 1: Should the Commission approve the Joint Motion to Approve Stipulation and Settlement filed by the Office of Public Counsel and Plantation Bay Utility Company?

Recommendation: Yes. The proposed stipulation and settlement should be approved. The utility should file a proposed customer notice 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 issuance of the final order approving the parties' stipulation and settlement.

DECISION: The recommendations were approved.

Commissioners participating: Deason, Arriaga, Carter