

**MINUTES OF  
COMMISSION CONFERENCE, TUESDAY, AUGUST 1, 2000  
COMMENCED: 9:30 a.m.  
ADJOURNED: 6:00 p.m.**

**COMMISSIONERS PRESENT:** Chairman Deason  
Commissioner Jacobs  
Commissioner Jaber

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- 1 Approval of Minutes  
June 6, 2000 and June 20, 2000 Regular Commission  
Conferences and June 19, 2000 Special Commission Conference.

DECISION: The minutes were approved.

Commissioners participating: Deason, Jacobs, Jaber

- 2 Consent Agenda
- A) Applications for certificates to provide pay telephone  
service.

<u>DOCKET NO.</u>	<u>COMPANY NAME</u>
000709-TC	Larry E. Sherman d/b/a Brevard Payphone Systems
000748-TC	Angel L. Caro d/b/a Sely's Communications Co.
000769-TC	3290 Sunrise Investments, Inc.
000770-TC	Kevin Michael Kellett d/b/a JKL Communications
000796-TC	James W. & Jolene R. Smith
000655-TC	Van J. Compoli and Robert Berg d/b/a SouthEast Tel-Tech
000762-TC	Vista-United Telecommunications
000818-TC	Frontier Communications of the South, Inc.
000823-TC	ITS Telecommunications Systems, Inc.

- B) DOCKET NO. 000332-TA - Application for certificate to  
provide alternative access vendor telecommunications  
service by VoData Communications Group, Inc.

Minutes of  
Commission Conference  
August 1, 2000

ITEM NO. CASE

---

2 Consent Agenda

(Continued from previous page)

C) Applications for certificates to provide alternative local exchange telecommunications service.

<u>DOCKET NO.</u>	<u>COMPANY NAME</u>
000511-TX	URJET Backbone Network, Inc.
000696-TX	Birch Telecom of the South, Inc.
000626-TX	eVulkan, Inc. d/b/a beMANY!
000688-TX	Centennial Florida Switch Corp.

D) Applications for certificates to provide interexchange telecommunications service.

<u>DOCKET NO.</u>	<u>COMPANY NAME</u>
000534-TI	BroadStreet Communications, Inc.
000350-TI	Global Link Communications, Inc.
000352-TI	MultiPhone Latin America, Inc.
000625-TI	Cybertel, Communications Corp.
000637-TI	TDS Long Distance Corporation
000639-TI	eVulkan, Inc. d/b/a beMANY!
000397-TI	Essex Communications, Inc. d/b/a eLEC Communications
000559-TI	Enhanced Communications Group, L.L.C.

E) DOCKET NO. 000739-TC - Request for cancellation of Pay Telephone Certificate No. 5047 by Hozae L. Milton d/b/a Florida Commercial PayFon, and application for certificate to provide pay telephone service by Florida Commercial PayFon, Inc.

ITEM NO.

CASE

---

2

Consent Agenda

(Continued from previous page)

- F) Requests for cancellation of interexchange telecommunications certificates.

DOCKET NO. 000757-TI - America One Communications, Inc.  
DOCKET NO. 000852-TI - SeTeL, LLC

- G) Requests for approval of transfer of control.

DOCKET NO. 000740-TP - Application of State Communications, Inc., parent company of TriVergent Communications (holder of IXC Certificate No. 5608 and ALEC Certificate No. 5638) for authority to transfer ownership and control of TriVergent to Triangle Acquisition, Inc., a wholly owned subsidiary of Gabriel Communications, Inc.

DOCKET NO. 000747-TI - Request for approval of transfer of control of Latin American Enterprises, Inc. (holder of IXC Certificate No. 4075) to Ursus Telecom Corp. (holder of IXC Certificate No. 4374).

DOCKET NO. 000802-TX - Joint application for approval of transfer of control of BlueStar Networks, Inc. (holder of ALEC Certificate No. 7033), subsidiary of BlueStar Communications Group, Inc., to Covad Communications Group, Inc., parent company of DIECA Communications, Inc. d/b/a Covad Communications Company (holder of ALEC Certificate No. 5719).

- H) Requests for approval of resale agreements.

DOCKET NO. 000663-TP - BellSouth Telecommunications, Inc. with Image Access Communications, Inc. d/b/a NewPhone.  
(Critical Date: 8/29/00)

DOCKET NO. 000705-TP - GTE Florida Incorporated with B.D. Webb Enterprise, Inc. d/b/a Quad City Communications.  
(Critical Date: 9/10/00)

DOCKET NO. 000777-TP - GTE Florida Incorporated with Telebeeper, Inc.  
(Critical Date: 9/25/00)

Minutes of  
Commission Conference  
August 1, 2000

ITEM NO.

CASE

---

2

Consent Agenda

(Continued from previous page)

- I) DOCKET NO. 000664-TP - Request for approval of interconnection, unbundling, and resale agreement between BellSouth Telecommunications, Inc. and North American Telecommunications Corporation d/b/a Southeast Telephone Company.  
(Critical Date: 8/29/00)
- J) Requests for approval of amendments to existing interconnection, unbundling, and resale agreements.
- DOCKET NO. 000665-TP - BellSouth Telecommunications, Inc. with Unicom Communications, LLC.  
(Critical Date: 8/29/00)
- DOCKET NO. 000703-TP - GTE Florida Incorporated with DIECA Communications, Inc. d/b/a Covad Communications Company.  
(Critical Date: 9/10/00)
- DOCKET NO. 000704-TP - GTE Florida Incorporated with Rhythms Links Inc.  
(Critical Date: 9/10/00)
- K) DOCKET NO. 000773-TP - Request for approval of merger whereby Primary Network Holdings, Inc. (holding company of BroadSpan Communications, Inc. d/b/a Primary Network Communications, Inc., holder of IXC Certificate No. 7376 and ALEC Certificate No. 7445) will merge with Mpower Merger Sub., Inc. (holding company of MGC Communications, Inc. d/b/a Mpower Communications Corp., holder of IXC Certificate No. 5752 and ALEC Certificate No. 5279).
- L) DOCKET NO. 000608-TI - Joint application for approval of merger of Prestige Investments, Inc., parent company of Zenex Long Distance, Inc. (holder of IXC Certificate No. 4691), with and into Prestige Acquisition Corp., a wholly owned subsidiary corporation of Lone Wolf Energy, Inc.

ITEM NO.

CASE

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2

Consent Agenda

(Continued from previous page)

M) DOCKET NO. 000691-GU - Application by Atlantic Utilities, a Florida Division of Southern Union Company d/b/a South Florida Natural Gas for authority to issue and sell securities for the twelve-month period beginning August 1, 2000 and ending July 31, 2001.

The Company seeks approval pursuant to Chapter 25-8, FAC, and Section 366.04, FS, for authority to issue and sell long-term debt and equity securities, as well as short-term debt. The amount of all long-term debt and equity securities issued will not exceed \$1 billion. The Company also proposes to issue short-term debt for interim financing of long-term debt not to exceed \$500 million. In addition, the Company proposes to issue short-term debt to be sold in the commercial paper market, the total amount of commercial paper not to exceed \$300 million.

Recommendation: The Commission should approve the action requested in the dockets referenced above and close these dockets, with the exception of Docket No. 000691-GU, which must remain open for monitoring purposes.

DECISION: The recommendation was approved.

Commissioners participating: Deason, Jacobs, Jaber

Minutes of  
Commission Conference  
August 1, 2000

ITEM NO.

CASE

---

3

DOCKET NO. 960598-TP - Request for submission of proposal for provision of relay service, beginning in June 1997, 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: Full Commission  
Prehrg Officer DS

Staff: CMP: King, McDonald, Moses, Salak, Audu  
APP: Brown

Issue 1: Should the Commission collect liquidated damages from MCI in the amount of ~~\$190,000~~ \$175,000 for failure to meet the answer time requirements of its contract from January 1, 2000, through May 31, 2000?

Recommendation: Yes. The Commission should require MCI to pay liquidated damages to the Florida Telecommunications Relay Inc. (FTRI) in the amount of \$190,000 for failure to meet the answer time requirements of the contract. This should be paid within thirty (30) days of the effective date of the Commission order assessing liquidated damages.

Issue 2: Should this docket be closed?

Recommendation: Yes. Upon receipt of MCI's liquidated damages payment, this docket should be closed.

DECISION: The recommendations were approved with noted modification to Issue 1.

Commissioners participating: Deason, Jacobs, Jaber

Minutes of  
Commission Conference  
August 1, 2000

<u>ITEM NO.</u>	<u>CASE</u>
4	<p>DOCKET NO. 000764-TI - Petition by PNG Telecommunications, Inc. for limited waiver of Rule 25-4.118, F.A.C., Interexchange Carrier Selection, and for transfer of NTA Communications Corporation customer accounts from Broadwing Communications to PNG Telecommunications, Inc.</p> <p>Critical Date(s): None</p> <p>Commissioners Assigned: Full Commission Prehrg Officer ADM</p> <p>Staff: CMP: Isler LEG: Vaccaro</p> <p><u>Issue 1:</u> Should the Commission grant PNG Telecommunications, Inc. a limited waiver of the interexchange carrier selection requirements of Rule 25-4.118, Florida Administrative Code? <u>Recommendation:</u> Yes.</p> <p><u>Issue 2:</u> Should this docket be closed? <u>Recommendation:</u> Yes. This docket should be closed upon issuance of a Consummating Order unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the proposed agency action order.</p> <p><u>DECISION:</u> The recommendations were approved.</p> <p>Commissioners participating: Deason, Jacobs, Jaber</p>

Minutes of  
Commission Conference  
August 1, 2000

<u>ITEM NO.</u>	<u>CASE</u>
5	<p>DOCKET NO. 000638-TC - Request for exemption from requirement of Rule 25-24.515(13), F.A.C., that each pay telephone station shall allow incoming calls, by BellSouth Public Communications, Inc.</p> <p>Critical Date(s): 8/23/00 (statutory deadline)</p> <p>Commissioners Assigned: Full Commission Prehrg Officer ADM</p> <p>Staff: CMP: Isler LEG: Christensen</p> <p><u>Issue 1</u>: Should the Commission grant the provider listed on page 4 of staff's August 20, 2000 memorandum an exemption from the requirement that each telephone station shall allow incoming calls for the pay telephone number at the address listed?</p> <p><u>Recommendation</u>: Yes.</p> <p><u>Issue 2</u>: Should this docket be closed?</p> <p><u>Recommendation</u>: Yes. This docket should be closed upon issuance of a Consummating Order unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the proposed agency action order.</p> <p><u>DECISION</u>: The recommendations were approved.</p> <p>Commissioners participating: Deason, Jacobs, Jaber</p>



Minutes of  
Commission Conference  
August 1, 2000

ITEM NO.

CASE

---

6

DOCKET NO. 000353-TC - Application for certificate to provide pay telephone service by Chong O. Kim, Inc. d/b/a Quick Trip Food Mart and request for waiver of Rule 25-24.511(5), F.A.C.

Critical Date(s): 8/7/00 (statutory deadline)

Commissioners Assigned: Full Commission  
Prehrg Officer ADM

Staff: CMP: Isler  
LEG: K. Peña, B. Keating  
RGO: Hawkins

Issue 1: Should Chong O. Kim d/b/a Quick Trip Food Mart be granted a waiver of Rule 25-24.511(5), Florida Administrative Code, and be granted a certificate to operate as a pay telephone provider in the state of Florida?

Recommendation: Yes. Staff believes that Quick Trip Food Mart should be granted a waiver of Rule 25-24.511(5), Florida Administrative Code, and a certificate to operate as a pay telephone provider in the state of Florida.

Issue 2: Should this docket be closed?

Recommendation: Yes. If the Commission approves or denies staff's recommendation on Issues 1 and 2, this docket should be closed, upon issuance of a Consummating Order, unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the proposed agency action order.

DECISION: The recommendations were approved.

Commissioners participating: Deason, Jacobs, Jaber

Minutes of  
Commission Conference  
August 1, 2000

ITEM NO.

CASE

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7

DOCKET NO. 992009-TC - Cancellation by Florida Public Service Commission of Pay Telephone Service Certificate No. 1788 issued to Sunshine Shell for violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.

Critical Date(s): None

Commissioners Assigned: Full Commission  
Prehrg Officer ADM

Staff: CMP: Isler  
LEG: K. Peña, B. Keating

Issue 1: Should the Commission accept the settlement offer proposed by Sunshine Shell to resolve the apparent violation of Rule 25-4.0161, Florida Administrative Code, Regulatory Assessment Fees; Telecommunications Companies?

Recommendation: Yes. The Commission should accept the company's settlement proposal. Any contribution should be received by the Commission within ten business days from the date of the Commission Order and should identify the docket number and company name. The Commission should forward the contribution to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. If the company fails to pay in accordance with the terms of the Commission Order, the company's Certificate No. 1788 should be canceled administratively.

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 receipt of the \$100 contribution or cancellation of the certificate.

DECISION: The recommendations were approved.

Commissioners participating: Deason, Jacobs, Jaber

Minutes of  
Commission Conference  
August 1, 2000

<u>ITEM NO.</u>	<u>CASE</u>
8	<p>DOCKET NO. 981444-TP - Number Utilization Study: Investigation into Number Conservation Measures.</p> <p>Critical Date(s): None</p> <p>Commissioners Assigned: Full Commission Prehrg Officer - Pending</p> <p>Staff: CMP: Ileri LEG: Caldwell</p> <p><u>Issue 1:</u> Should the Commission grant Peggy Arvanitas's Motion for Reconsideration of Order No. PSC-00-1046-PAA-TP? <u>Recommendation:</u> No. Staff recommends that the Commission deny the portion of Ms. Arvanitas's Motion requesting reconsideration of the final agency action. Further, staff recommends that the Commission dismiss on its own motion the remaining portion of Ms. Arvanitas's Motion protesting the proposed agency action. Finally, Staff recommends that an order consummating the proposed agency action portion of the order should be issued and the final agency action portion of the order should also be implemented without further delay.</p> <p><u>Issue 2:</u> Should this docket be closed? <u>Recommendation:</u> No. The docket should not be closed as other issues for the Commission's consideration are pending.</p> <p><u>DECISION:</u> The recommendations were approved. Staff is to review initiation of rulemaking and bring a recommendation back to the full Commission.</p> <p>Commissioners participating: Deason, Jacobs, Jaber</p>

Minutes of  
Commission Conference  
August 1, 2000

ITEM NO.

CASE

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9                   DOCKET NO. 991835-WS - Application for allowance for funds prudently invested (AFPI) charge for additional water improvements and for additional lines associated with wastewater extension into George Mayo subdivision in Marion County, by Tradewinds Utilities, Inc.

Critical Date(s): 8/6/00 (8-month effective date)

Commissioners Assigned: Full Commission  
Prehrg Officer ADM

Staff: ECR: Butts, Rendell, Crouch  
LEG: Brubaker

Issue 1: Should Tradewinds Utilities, Inc.'s proposed Water Tariff Sheet No. 18.1 containing AFPI charges be approved?  
Recommendation: No. Water Tariff Sheet No. 18.1 should be denied. For the reasons stated in the analysis portion of staff's memorandum dated July 20, 2000, and due to missing and conflicting information, staff recommends that if the utility wishes to recover the carrying costs on the non-used and useful plant that it consider filing for a Staff-Assisted Rate Case.

Issue 2: Should this docket be closed?  
Recommendation: Yes. If no timely protest is received upon the expiration of the protest period, the Order will become final upon the issuance of a Consummating Order, and this docket should be closed.

DECISION: The recommendations were approved.

Commissioners participating: Deason, Jacobs, Jaber

Minutes of  
Commission Conference  
August 1, 2000

<u>ITEM NO.</u>	<u>CASE</u>
10	<p>DOCKET NO. 000662-SU - Application for limited proceeding for an increase and restructuring of monthly wastewater charges by BFF Corp. in Marion County.</p> <p>Critical Date(s): None</p> <p>Commissioners Assigned: Full Commission Prehrg Officer - Pending</p> <p>Staff: ECR: Fitch, Dewberry LEG: Fudge</p> <p><u>Issue 1</u>: Should BFF's request for a limited proceeding to allow the recovery of costs associated with the DEP-required interconnection with Utilities, Inc. be approved? <u>Recommendation</u>: No. The utility's request for a limited proceeding to allow the recovery of costs associated with the DEP-required interconnection with Utilities, Inc. should be denied. If the utility wishes to seek recovery of costs associated with the DEP-required interconnection, it should do so by applying for a staff-assisted rate case after retiring the plant.</p> <p><u>Issue 2</u>: Should this docket be closed? <u>Recommendation</u>: Yes. If no timely protest is received upon expiration of the protest period, the Order should become final and effective upon the issuance of a Consummating Order and this docket should be closed.</p>

DECISION: The recommendations were approved.

Commissioners participating: Deason, Jacobs, Jaber

Minutes of  
Commission Conference  
August 1, 2000

<u>ITEM NO.</u>	<u>CASE</u>
11	<p>DOCKET NO. 991902-SU - Investigation into the wastewater rates of Commercial Utilities, Division of Grace &amp; Company, Inc., in Duval County.</p> <p>Critical Date(s): None</p> <p>Commissioners Assigned: Full Commission Prehrg Officer - Pending</p> <p>Staff: ECR: B. Davis, Merchant LEG: Fudge</p> <p><u>Issue 1:</u> Is the utility earning a greater return than what was authorized in Order No. PSC-93-0233-FOF-WS? <u>Recommendation:</u> No. Staff's investigation of the calendar year 1999 indicates that the utility is earning a return within its last authorized range set forth in Order No. PSC-93-0233-FOF-WS. The corporate undertaking guaranteeing the revenue held subject to refund ordered by Order No. PSC-00-0346-FOF-SU should be released.</p> <p><u>Issue 2:</u> Should the utility be required to show cause, in writing within 21 days, why it should not be fined up to \$5,000 per day for its apparent violation of Rule 25-30.115, Florida Administrative Code, for failure to maintain its books and records in conformance with the National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts (USOA)? <u>Recommendation:</u> No. A show cause proceeding should not be initiated. However, the utility should be ordered to maintain its books and records in conformance with the 1996 NARUC USOA. Further, it should submit a statement from its outside Certified Public Accountant (CPA) by April 30, 2001 along with its 2000 annual report, stating that its books are in conformance with the NARUC USOA and have been reconciled with Commission Order No. PSC-93-0233-FOF-WS.</p> <p><u>Issue 3:</u> Should this docket be closed? <u>Recommendation:</u> Yes. If no timely protest is filed to Issue 1, no further action is necessary and this docket should be closed upon the issuance of a consummating order.</p>

DECISION: The recommendations were approved.

Commissioners participating: Deason, Jacobs, Jaber

ITEM NO.

CASE

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12                   DOCKET NO. 000715-SU - Investigation of possible overearnings by North Peninsula Utilities Corporation in Volusia County.

Critical Date(s): 8/20/00 (15-month refund of index and pass-through adjustment expires pursuant to Section 367.081(4)(d), F.S.)

Commissioners Assigned: Full Commission  
Prehrg Officer ADM

Staff: ECR: Casey, Rendell  
LEG: Fudge

Issue 1: What is the appropriate average amount of test year rate base?

Recommendation: The appropriate average amount of test year rate base for North Peninsula should be \$157,769.

Issue 2: What is the appropriate rate of return on equity and the appropriate overall rate of return for this utility?

Recommendation: The appropriate rate of return on equity for North Peninsula should be 9.94% with a range of 8.94% - 10.94% and the appropriate overall rate of return should be 8.91%.

Issue 3: What is the appropriate test year operating revenue?

Recommendation: The appropriate test year operating revenue should be \$161,195.

Issue 4: What is the appropriate amount of operating expense?

Recommendation: The appropriate amount of operating expense should be \$134,793.

Issue 5: What is the appropriate test year revenue requirement?

Recommendation: The appropriate test year revenue requirement should be \$148,851.

Issue 6: Did North Peninsula earn in excess of its authorized rate of return for the test year ended December 31, 1998?

Recommendation: Yes. The Commission should recognize \$12,344 of 1998 revenue which exceeds North Peninsula's recommended authorized rate of return of 8.91%.

Issue 7: Should the utility be ordered to refund the price index and pass-through rate adjustments which were implemented in 1998?

ITEM NO.

CASE

---

12                   DOCKET NO. 000715-SU - Investigation of possible overearnings by North Peninsula Utilities Corporation in Volusia County.

(Continued from previous page)

Recommendation: Yes. The index and pass-through rate adjustment which contributed to utility overearnings in 1998 should be refunded with interest. The refund for 1998 is \$2,824 before assessment of interest. This refund should be made with interest in accordance with Rule 25-30.360 (4), Florida Administrative Code, within 90 days of the effective date of the Order. The utility should be required to submit the proper refund reports pursuant to Rule 25-30.360 (7), Florida Administrative Code. The refund should be made to customers of record as of the date of the Order, pursuant to Rule 25-30.360(3), Florida Administrative Code. The utility should treat any unclaimed refunds as CIAC pursuant to Rule 25-30.360(8), Florida Administrative Code.

Issue 8: Should the utility be ordered to show cause, in writing within 21 days, why it should not be fined up to \$5,000 per day for collecting charges not approved by the Commission in apparent violation of Sections 367.081(1) and 367.091(3), Florida Statutes?

Recommendation: No, show cause proceedings should not be initiated. However, the utility should be ordered to refund \$10,500 of unapproved service availability charges collected in 1996, and provide proof to the Commission that the refunds have been completed. These refunds should be made with interest in accordance with Rule 25-30.360 (4), Florida Administrative Code, within 90 days of the effective date of the Order. The utility should also be admonished that, pursuant to Sections 367.081(1) and 367.091(3), Florida Statutes, it may only charge rates and charges approved by the Commission.



Minutes of  
Commission Conference  
August 1, 2000

<u>ITEM NO.</u>	<u>CASE</u>
12	<p>DOCKET NO. 000715-SU - Investigation of possible overearnings by North Peninsula Utilities Corporation in Volusia County.</p> <p>(Continued from previous page)</p> <p><u>Issue 9</u>: Should this docket be closed? <u>Recommendation</u>: No. If no person whose interests are substantially affected by the proposed action files a protest within the 21-day protest period, the Commission's decision will become final and effective upon the issuance of a Consummating Order. However, this docket should remain open in order for staff to verify that the utility has completed the required refunds, after which time this docket should be closed administratively.</p> <p><u>DECISION</u>: This item was deferred to a later Commission conference.</p>

ITEM NO.

CASE

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13                   DOCKET NO. 991437-WU - Application for increase in water rates in Orange County by Wedgefield Utilities, Inc.

Critical Date(s): 8/4/00 (5-month effective date)

Commissioners Assigned: Full Commission  
Prehrg Officer JB

Staff: ECR: Kyle, Quijano, Edwards, Lingo, Merchant,  
Crouch  
LEG: Christensen, Gervasi

**(ALL ISSUES PROPOSED AGENCY ACTION EXCEPT ISSUES NOS. 22 AND 23.)**

Issue 1: Is the quality of service provided by Wedgefield Utilities, Inc. satisfactory?

Recommendation: Yes, the quality of service is satisfactory.

Issue 2: What adjustments, if any, should be made to the utility's plant-in-service, accumulated depreciation, and depreciation expense?

Recommendation: Plant-in-service should be decreased by a total of \$105,166. Accumulated depreciation should be decreased by a total amount of \$74,119. Depreciation expense should be decreased by a total of \$13,796.

Issue 3: Should accumulated depreciation be adjusted to reflect overstated depreciation calculations in years prior to the test year resulting from the utility's recording assets in incorrect sub-accounts?

Recommendation: No. The utility should not be allowed to adjust accumulated depreciation as filed in the MFRs. The utility should, however, be ordered to correct its books and records on a going-forward basis.

Issue 4: What adjustments, if any, should be made to Contributions-in-Aid-of-Construction (CIAC), and Accumulated Amortization of CIAC?

Recommendation: CIAC should be increased by \$750. Accumulated amortization of CIAC should be increased by \$12.

Issue 5: Should the parcel of land purchased on June 18, 1999, be considered 100 percent used and useful? If not, what percentage should be allowed?

Recommendation: No. The land should not be considered 100% used and useful. In its official filing and also in its response to the auditor's report, the utility stated that the land was purchased for future water plant. However, staff recommends allowing 25% of the land that was

ITEM NO.

CASE

---

13

DOCKET NO. 991437-WU - Application for increase in water rates in Orange County by Wedgefield Utilities, Inc.

(Continued from previous page)

purchased, for future plant, to be considered use and useful. Accordingly, used and useful land should be reduced by \$8,888.

Issue 6: What percentage of the utility's water treatment plant and distribution system is used and useful?

Recommendation: The water treatment plant should be considered 76%, and the water distribution system should be considered 66% 77% used and useful. Accordingly, used and useful plant should be reduced by \$706,209 and used and useful accumulated depreciation should be reduced by \$205,813. Used and useful CIAC should be reduced by \$11,941 and used and useful accumulated amortization of CIAC should be reduced by \$372. Used and useful depreciation expense, property taxes and CIAC amortization expense should be reduced by \$19,924, \$4,818, and \$743, respectively, to reflect the expenses associated with the non-used and useful plant.

Issue 7: Does Wedgefield have excessive unaccounted for water and, if so, what adjustments should be made?

Recommendation: Yes, Wedgefield has 17.1% excessive unaccounted for water. Therefore, allowable expenses for purchased electricity should be reduced by \$2,565 and allowable chemical expenses should be reduced by \$8,643.

Issue 8: What is the appropriate working capital allowance?

Recommendation: The appropriate amount of working capital is \$17,485, based on the formula approach.

Issue 9: What is the appropriate rate base?

Recommendation: The appropriate water rate base for the test year ended June 30, 1999 is \$956,803.

Issue 10: What is the appropriate weighted average cost of capital including the proper components, amounts and cost rates associated with the capital structure for the test year ended June 30, 1999?

Recommendation: The appropriate overall cost of capital is 8.34%, with a range of 7.91% to 8.77%. The return on equity (ROE) should be 9.82%, with a range of 8.82% to 10.82%.

Issue 11: What is the appropriate allowance for funds used during construction (AFUDC) rate?

ITEM NO.

CASE

13 DOCKET NO. 991437-WU - Application for increase in water rates in Orange County by Wedgefield Utilities, Inc.

(Continued from previous page)

Recommendation: The annual AFUDC rate for Wedgefield should be approved at 8.34%, in accordance with Rule 25-30.116, Florida Administrative Code, with a discounted monthly AFUDC rate of .695013%, to be applied to Wedgefield's qualified construction projects, effective July 1, 1999.

Issue 12: Should adjustments be made to operation and maintenance expenses for non-utility items?

Recommendation: Yes. Operation and maintenance expenses should be reduced by \$604 to remove the allocation for non-utility shareholder expenses and keyman/life and fiduciary life insurance premium expenses.

Issue 13: What is the appropriate amount of rate case expense?

Recommendation: The appropriate rate case expense for this docket is \$42,992. This expense is to be recovered over four years for an annual expense of \$10,748.

Issue 14: What adjustments, if any, should be made to the utility's property taxes?

Recommendation: Property taxes should be decreased by \$8,571.

Issue 15: What is the test year operating income before any revenue increase?

Recommendation: Based on the adjustments discussed in previous issues, staff recommends that the test year operating income before any provision for increased revenues should be \$39,047.

Issue 16: What is the appropriate revenue requirement?

Recommendation: The following revenue requirement should be approved:

	<u>TOTAL</u>	<u>\$ INCREASE</u>	<u>% INCREASE</u>
Water	\$ 327,729	\$ 68,469	26.41%

Issue 17: Is an inclining-block rate structure appropriate for this utility, and, if so, what are the appropriate usage blocks, conservation adjustment and rate factors to be used?

Recommendation: Yes. An inclining-block rate structure is the appropriate rate structure for residential customers. The appropriate monthly usage blocks consist of three tiers of 0-10,000 gallons, 10,001-20,000 gallons, and over 20,000

ITEM NO.

CASE

13 DOCKET NO. 991437-WU - Application for increase in water rates in Orange County by Wedgefield Utilities, Inc.

(Continued from previous page)

gallons per month. A conservation adjustment of 30% is appropriate, with usage block rate factors for each tier of 1.0, 1.25, and 1.5, respectively. The appropriate rate structure for the general service customers is a continuation of the traditional base facility charge (BFC) and uniform gallonage charge rate structure.

Issue 18: Is repression of consumption likely to occur, and, if so, what is the appropriate adjustment and the resulting consumption to be used to calculate consumption charges?

Recommendation: Yes. Repression of consumption is likely to occur. The appropriate repression adjustment is a reduction in consumption of 4,355 kgals, and the resulting consumption to be used to calculate consumption charges is 71,170 kgals. In order to monitor the effects of this rate proceeding on consumption, the utility should be ordered to prepare monthly reports detailing the number of bills rendered, the consumption billed (by usage block for residential customers) and the revenue billed. These reports should be provided, by customer class and meter size, on a quarterly basis for a period of two years, beginning with the first billing period after the increased rates go into effect.

Issue 19: What are the appropriate monthly rates for water service for this utility?

Recommendation: The appropriate monthly rates are listed below.

<u>Meter Sizes</u>	<u>Residential Service</u>	<u>General Service</u>
5/8" x 3/4"	\$ 11.78	\$ 11.78
3/4"	17.67	17.67
1"	29.45	29.45
1 1/2"	58.90	58.90
2"	94.24	94.24
3"	188.48	188.48

Minutes of  
Commission Conference  
August 1, 2000

ITEM NO.

CASE

13                   DOCKET NO. 991437-WU - Application for increase in water rates in Orange County by Wedgefield Utilities, Inc.

(Continued from previous page)

4"	294.50	294.50
6"	589.00	589.00

Gallonage Charge

0 - 10,000 gallons	\$	2.53	\$	2.92
10,001 - 20,000 gallons		3.16		2.92
Over 20,000 gallons		3.80		2.92

These rates, also shown on Schedule No. 4-A, should be designed to produce revenues of \$325,730, excluding miscellaneous service charge revenues. The utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date of the revised tariff sheets pursuant to Rule 25-30.475(1), Florida Administrative Code. The 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.

Issue 20: What is the appropriate amount of the interim refund, if any?

Recommendation: The proper refund amount should be calculated by using the same data used to establish final rates, excluding rate case expense. This revised revenue requirement for the interim collection period should be compared to the amount of interim revenues granted. Based on this calculation, the utility should be required to refund 12.85% of water revenues collected under interim rates. The refund should be made with interest in accordance with Rule 25-30.360(4), Florida Administrative Code. The utility should treat any unclaimed refunds as CIAC pursuant to Rule 25-30.360(8), Florida Administrative Code.

Issue 21: Should Wedgefield's water system capacity charge be discontinued?

ITEM NO.

CASE

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13                    DOCKET NO. 991437-WU - Application for increase in water rates in Orange County by Wedgefield Utilities, Inc.

(Continued from previous page)

Recommendation: Yes. Wedgefield's water system capacity charge of \$640 should be discontinued and replaced with a \$490 plant capacity charge and \$830 main extension fee. If approved, the utility shall file revised tariff sheets within thirty days of the issuance date of the consummating order which are consistent with the Commission's vote. Staff should be given administrative authority to approve the revised tariff sheets upon staff's verification that the tariffs are consistent with the Commission's decision. If the revised tariff sheets are filed and approved, the plant capacity charge and main extension fee should become effective for connections made on or after the stamped approval date of the revised tariff sheets pursuant to Rule 25-30.475(2), Florida Administrative Code.

Issue 22: Should the utility be required to show cause, in writing within 21 days, why it should not be fined \$3,000 for its apparent violation of Rule 25-30.115, Florida Administrative Code, and Order No. PSC-97-0531-FOF-WU, issued May 9, 1997, in Docket No. 960444-WU, for its failure to maintain its books and records in conformance with the National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts (USOA)?

Recommendation: Yes. the utility be required to show cause, in writing within 21 days, why it should not be fined \$3,000 for its apparent violation of Rule 25-30.115, Florida Administrative Code, and Order No. PSC-97-0531-FOF-WU, issued May 9, 1997, in Docket No. 960444-WU, for its failure to maintain its books and records in conformance with the NARUC USOA.

Minutes of  
Commission Conference  
August 1, 2000

ITEM NO.

CASE

---

13                    DOCKET NO. 991437-WU - Application for increase in water rates in Orange County by Wedgefield Utilities, Inc.

(Continued from previous page)

Issue 23: Should the docket be closed?

Recommendation: No. If no timely protest is filed within 21 days of the issuance of the PAA Order, the Order should become effective and final upon the issuance of a consummating order. This docket should remain open pending completion of these conditions: the utility's filing and staff's approval of the revised tariff sheets; proof of notice; and verification of the refund. If Issue 21 is approved, this docket should remain open pending disposition of the show cause. However, if the utility does not protest the show cause and remits the fine, then this docket should be administratively closed upon completion of the above conditions.

DECISION: The recommendations were approved with a modification to Issue 6. Issues Nos. 9, 14, 15, 16, 18, 19, and 20 were modified as a result of the vote taken in Issue 6.

Commissioners participating: Deason, Jacobs, Jaber



Minutes of  
Commission Conference  
August 1, 2000

<u>ITEM NO.</u>	<u>CASE</u>
13A	<p>DOCKET NO. 950379-EI - Determination of regulated earnings of Tampa Electric Company pursuant to stipulations for calendar years 1995 through 1999.</p> <p>Critical Date(s): None</p> <p>Commissioners Assigned: JC JB Prehrg Officer - Pending</p> <p>Staff: ECR: Devlin, Merta, Wheeler LEG: Elias</p> <p><u>Issue 1:</u> Should the settlement agreement (Attachment A to staff's July 31, 2000 memorandum) proposed by Tampa Electric Company, the Florida Industrial Power Users Group and the Office of Public Counsel be approved? <u>Recommendation:</u> Yes. The settlement agreement for resolving all issues raised in Docket No. 950379-EI with respect to Tampa Electric Company's earnings in 1997 and 1998 should be approved.</p> <p><u>Issue 2:</u> Should this docket be closed? <u>Recommendation:</u> No. This docket should remain open pending the review of TECO's 1999 earnings and the determination of the appropriate amount of any additional deferred revenues related to 1999.</p>

DECISION: The recommendations were approved.

Commissioners participating: Jacobs, Jaber

Minutes of  
Commission Conference  
August 1, 2000

ITEM NO.

CASE

---

14

DOCKET NO. 000036-TI - Initiation of show cause proceedings against USLD Communications, Inc. for apparent violation of Rule 25-4.043, F.A.C., Response to Commission Staff Inquiries; and investigation and determination of appropriate method for refunding interest and overcharges on intrastate 0+ calls made from pay telephones and in a call aggregator context.

Critical Date(s): None

Commissioners Assigned: Full Commission  
Prehrg Officer ADM

Staff: LEG: B. Keating  
CMP: Kennedy  
ECR: D. Draper

Issue 1: Should the Commission accept USLD Communications, Inc.'s calculation of \$28,939.59, plus \$3,088.29 interest, as required by Rule 25-4.114, Florida Administrative Code, Refunds, for a total of \$32,027.88, for overcharges to end users on intrastate 0+ calls placed from pay telephones and made in a call aggregator context from February 1, 1999, through March 31, 2000?

Recommendation: Yes. The Commission should accept USLD Communications, Inc.'s calculation of \$28,939.59, plus \$3,088.29 interest, as required by Rule 25-4.114, Florida Administrative Code, Refunds, for a total of \$32,027.88, for overcharges to end users on intrastate 0+ calls placed from pay telephones and made in a call aggregator context from February 1, 1999, through March 31, 2000.

Issue 2: Should the Commission accept USLD Communications, Inc.'s request that it be permitted to make a contribution of \$28,939.59, plus \$3,088.29 interest, for a total of \$32,027.88, to the State of Florida General Revenue Fund in lieu of refunds to individual customers who were overcharged for intrastate 0+ calls made from pay telephones and in a call aggregator context from February 1, 1999, through March 31, 2000?

Recommendation: No. The Commission should not accept USLD Communications, Inc.'s request that it be permitted to make a contribution of \$28,939.59, plus \$3,088.29 interest, as required by Rule 25-4.114, Florida Administrative Code, Refunds, for a total of \$32,027.88, to the General Fund in lieu of refunds to individual customers who were overcharged

ITEM NO.

CASE

---

14                   DOCKET NO. 000036-TI - Initiation of show cause proceedings against USLD Communications, Inc. for apparent violation of Rule 25-4.043, F.A.C., Response to Commission Staff Inquiries; and investigation and determination of appropriate method for refunding interest and overcharges on intrastate 0+ calls made from pay telephones and in a call aggregator context.

(Continued from previous page)

for intrastate 0+ calls made from pay telephones and in a call aggregator context from February 1, 1999, through March 31, 2000. The Commission should order USLD Communications, Inc. to credit customers' local exchange telephone bills beginning September 1, 2000, and ending November 30, 2000, for overcharging end users on intrastate 0+ calls made from pay telephones and in a call aggregator context from February 1, 1999, through March 31, 2000. By December 10, 2000, USLD Communications, Inc. should remit any unrefundable amount, including interest, to the Commission for forwarding to the Comptroller for deposit in the State of Florida General Revenue Fund, pursuant to Section 364.285(1), Florida Statutes. USLD Communications, Inc. should submit a final report as required by Rule 25-4.114, Florida Administrative Code, Refunds, by December 10, 2000. If the company fails to issue the refunds in accordance with the terms of the Commission's Order, the company's certificate should be canceled, and this docket should be closed.

Issue 3: Should the Commission accept the \$5,000 settlement offer proposed by USLD Communications, Inc. to resolve the apparent violation of Rule 25-4.043, Florida Administrative Code, Response to Commission Staff Inquiries?

Recommendation: Yes. The Commission should accept the company's \$5,000 settlement proposal to resolve the apparent violation of Rule 25-4.043, Florida Administrative Code, Response to Commission Staff Inquiries. Any contribution should be received by the Commission within ten business days from the issuance date of the Commission Order and should identify the docket number and company name. The Commission should forward the contribution to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. If the company fails to pay in accordance with the terms of the

Minutes of  
Commission Conference  
August 1, 2000

ITEM NO.

CASE

---

14                   DOCKET NO. 000036-TI - Initiation of show cause proceedings against USLD Communications, Inc. for apparent violation of Rule 25-4.043, F.A.C., Response to Commission Staff Inquiries; and investigation and determination of appropriate method for refunding interest and overcharges on intrastate 0+ calls made from pay telephones and in a call aggregator context.

(Continued from previous page)

settlement offer, the company's certificate should be canceled, and this docket should be closed.

Issue 4: Should this docket be closed?

Recommendation: No. If no person whose interests are substantially affected by the proposed action files a protest of the Commission's decision on Issues 1 and 2 within the 21-day protest period, the Commission's Order will become final upon issuance of a consummating order. The Commission's actions on Issues 1 and 2 should not have impact on action taken on Issue 3, nor should a protest of either Issue 1 or 2 impact the effectiveness of the Commission's decision on Issue 3. This docket should, however, remain open pending the completion of the refund, receipt of the final report on the refund, and remittance of the \$5,000 voluntary contribution. After completion of the refund, receipt of the final refund report, and remittance of the \$5,000 voluntary contribution, this docket may be closed administratively. If the company fails to complete the refund or to pay the settlement contribution, this docket may be closed upon cancellation of USLD Communications, Inc.'s certificate.

DECISION: This item was deferred to a later Commission conference.

Minutes of  
Commission Conference  
August 1, 2000

ITEM NO.

CASE

---

15

DOCKET NO. 000475-TP - Complaint by BellSouth Telecommunications, Inc. against Thrifty Call, Inc. regarding practices in the reporting of percent interstate usage for compensation for jurisdictional access services.

Critical Date(s): None

Commissioners Assigned: Full Commission  
Prehrg Officer JC

Staff: LEG: Vaccaro  
CMP: Simmons  
RGO: Vandiver

Issue 1: Should the Commission grant BellSouth Telecommunications, Inc.'s Motion for Leave to File Supplemental Authority?

Recommendation: No. The Commission should deny BellSouth Telecommunications, Inc.'s Motion for Leave to File Supplemental Authority.

Issue 2: Should the Commission grant Thrifty Call, Inc.'s Motion to Dismiss or, in the Alternative, to Stay?

Recommendation: No. The Commission should deny Thrifty Call, Inc.'s Motion to Dismiss or, in the Alternative, to Stay.

Issue 3: Should this docket be closed?

Recommendation: No. If the Commission approves staff's recommendation in Issue 2, this docket should remain open pending resolution of BellSouth's complaint.

DECISION: This item ws deferred to a later Commission conference.

Minutes of  
Commission Conference  
August 1, 2000

<u>ITEM NO.</u>	<u>CASE</u>
16	<p>DOCKET NO. 980864-EI - Complaint by Albert Sadaka against Florida Power &amp; Light Company regarding backbilling.</p> <p>Critical Date(s): None</p> <p>Commissioners Assigned: Full Commission Prehrg Officer DS</p> <p>Staff: LEG: Walker CAF: C. Peña ECR: E. Draper</p> <p><u>Issue 1</u>: Should Mr. Sadaka's voluntary dismissal with prejudice be acknowledged? <u>Recommendation</u>: Yes. Mr. Sadaka's voluntary dismissal with prejudice should be acknowledged.</p> <p><u>Issue 2</u>: Should this docket be closed? <u>Recommendation</u>: Yes. This docket should be closed.</p>

DECISION: The recommendations were approved.

Commissioners participating: Deason, Jacobs, Jaber

Minutes of  
Commission Conference  
August 1, 2000

<u>ITEM NO.</u>	<u>CASE</u>
17	<p>DOCKET NO. 981079-SU - Application for amendment of Certificate No. 104-S to extend service territory in Pasco County by Hudson Utilities, Inc., and request for limited proceeding.</p> <p>Critical Date(s): None</p> <p>Commissioners Assigned: Full Commission Prehrg Officer JC</p> <p>Staff: LEG: Cibula RGO: Clapp, Redemann</p> <p><u>Issue 1</u>: Should the Commission grant Hudson Utilities, Inc.'s Motion for Second Extension of Time to File Proof of Transfer of Territory? <u>Recommendation</u>: Yes, the Commission should grant Hudson Utilities, Inc.'s Motion for Second Extension of Time to File Proof of Transfer of Territory. As requested in its motion, the utility should be allowed until June 30, 2001, to file proof of the transfer of the Signal Cove territory from Pasco County to Hudson Utilities, Inc.</p> <p><u>Issue 2</u>: Should this docket be closed? <u>Recommendation</u>: No. This docket should remain open to allow staff to verify that Hudson Utilities, Inc., has filed proof of the transfer of the Signal Cove territory from Pasco County to the utility. Once staff has verified this information, this docket should be closed administratively.</p> <p><u>DECISION</u>: The recommendations were approved.</p> <p>Commissioners participating: Deason, Jacobs, Jaber</p>

Minutes of  
Commission Conference  
August 1, 2000

<u>ITEM NO.</u>	<u>CASE</u>
18	<p>DOCKET NO. 980954-WS - Disposition of contributions-in-aid-of-construction (CIAC) gross-up funds collected during the years 12/31/92 through 12/31/96 by JJ's Mobile Homes, Inc. in Lake County.</p> <p>Critical Date(s): None</p> <p>Commissioners Assigned: Full Commission Prehrig Officer - Pending</p> <p>Staff: LEG: Jaeger ECR: Iwenjiora, C. Romig</p> <p><u>Issue 1</u>: Should the settlement offer of JJ's Mobile Homes, Inc., be approved by the Commission?</p> <p><u>Recommendation</u>: Yes, the Commission should approve JJ's settlement offer. Pursuant to that offer, JJ's shall pay Morrison Homes, Inc., the sum of \$21,767, within two weeks of the issuance date of the Final Order approving the settlement offer, and, upon verification of such payment, the Commission will not seek to impose any fines against JJ's or any of its principals. Staff should be given the authority to administratively close the docket upon verification that the payment has been made.</p> <p><u>DECISION</u>: The recommendation was approved.</p> <p>Commissioners participating: Deason, Jacobs, Jaber</p>



ITEM NO.

CASE

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19 DOCKET NO. 000333-WU - Application for transfer of water facilities in Orange County from Tangerine Water Company, Inc., holder of Certificate No. 96-W, to Florida Water Services Corporation; for amendment of Certificate No. 84-W held by Florida Water Services Corporation; for cancellation of Certificate No. 96-W; and for territory correction.

Critical Date(s): None

Commissioners Assigned: Full Commission  
Prehrg Officer DS

Staff: RGO: Brady, Redemann  
LEG: Crosby

Issue 1: Should the transfer of water facilities from Tangerine to Florida Water Services Corporation be approved?  
Recommendation: Yes. The transfer should be approved. The description of the territory being transferred should be corrected as shown in Attachments A and B of staff's July 20, 2000 memorandum. Certificate No. 84-W held by Florida Water Services Corporation should be amended and Certificate No. 96-W should be canceled. FWSC should be required to file a 2000 Annual Report and remit the resulting regulatory assessment fees to the Commission on behalf of the utility for 1/1/2000 through 12/31/2000 in the time frame and manner prescribed by Commission rules.

Issue 2: What is the rate base of Tangerine Water Company, Inc. at the time of the transfer?

Recommendation: The rate base for the water system as of December 31, 1998, was \$85,408, as previously established by Order No. PSC-99-1399-PAA-WU.

Issue 3: Should a positive acquisition adjustment be approved?

Recommendation: No. A positive acquisition adjustment should not be included in the calculation of rate base for transfer purposes.

Issue 4: Should the rates and charges approved for Tangerine Water Company, Inc. be continued?

Recommendation: Yes. The rates and charges approved for the utility should be continued. The tariff reflecting the transfer should be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets.

Minutes of  
Commission Conference  
August 1, 2000

ITEM NO.

CASE

---

19                   DOCKET NO. 000333-WU - Application for transfer of water facilities in Orange County from Tangerine Water Company, Inc., holder of Certificate No. 96-W, to Florida Water Services Corporation; for amendment of Certificate No. 84-W held by Florida Water Services Corporation; for cancellation of Certificate No. 96-W; and for territory correction.

(Continued from previous page)

Issue 5: Should this docket be closed?

Recommendation: Yes. If no timely protest is received to the proposed agency action issues, upon expiration of the protest period, the order should become final and effective upon issuance of a consummating order and the docket should be closed.

DECISION: The recommendations were approved.

Commissioners participating: Deason, Jacobs, Jaber

Minutes of  
Commission Conference  
August 1, 2000

ITEM NO.

CASE

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20

DOCKET NO. 000758-EI - Petition for approval of a pilot program for small photovoltaic systems by Tampa Electric Company.

Critical Date(s): 8/21/00 (60-day suspension date)

Commissioners Assigned: Full Commission  
Prehrg Officer ADM

Staff: SER: Haff, Colson  
ECR: Springer  
LEG: Stern

Issue 1: Should the Commission suspend Tampa Electric Company's (TECO) proposed new tariff for its pilot program to interconnect small photovoltaic systems?

Recommendation: Yes.

Issue 2: Should this docket be closed?

Recommendation: No. The docket should remain open pending a final decision on the petition.

DECISION: The recommendations were approved.

Commissioners participating: Deason, Jacobs, Jaber

Minutes of  
Commission Conference  
August 1, 2000

<u>ITEM NO.</u>	<u>CASE</u>
21	<p>DOCKET NO. 000759-EI - Petition by Tampa Electric Company for revisions to Emergency On-Demand Energy Service Agreement.</p> <p>Critical Date(s): 8/21/00 (60-day suspension date)</p> <p>Commissioners Assigned: Full Commission Prehrg Officer ADM</p> <p>Staff: SER: Haff ECR: E. Draper LEG: Isaac</p> <p><u>Issue 1</u>: Should the Commission approve TECO's Petition for Revisions to its Emergency On-Demand Energy Service Agreement? <u>Recommendation</u>: Yes.</p> <p><u>Issue 2</u>: What is the appropriate effective date for the revised tariff? <u>Recommendation</u>: The appropriate effective date for the revised tariff is August 1, 2000.</p> <p><u>Issue 3</u>: Should this docket be closed? <u>Recommendation</u>: Yes, if no protest is filed within 21 days of the issuance of the order.</p>

DECISION: The recommendations were approved.

Commissioners participating: Deason, Jacobs, Jaber

Minutes of  
Commission Conference  
August 1, 2000

ITEM NO.

CASE

---

22 DOCKET NO. 991779-EI - Review of the appropriate application of incentives to wholesale power sales by investor-owned electric utilities.

Critical Date(s): None

Hearing Date(s): 5/1/00, Talla., Prehrg., CL  
5/10/00, Talla., GR DS CL JC JB

Commissioners Assigned: Full Commission  
Prehrg Officer - Pending

Staff: SER: Harlow, Bohrmann  
LEG: C. Keating

Issue 1: Should the Commission eliminate the 20 percent shareholder incentive set forth in Order No. 12923, issued January 24, 1984, in Docket No. 830001-EU-B?

Recommendation: Yes. The shareholder incentive should be eliminated because: 1) the objectives of Order No. 12923 have been met; 2) many factors which affect the magnitude of non-separated sales are outside a utility's control; 3) utilities have expanded the application of Order No. 12923 without prior Commission approval; and, 4) the incentive may be duplicative of the Generating Performance Incentive Factor.

Issue 2: If the Commission decides to maintain the 20 percent shareholder incentive in Issue 1 or approves a new incentive, what types of non-separated, non-firm, wholesale sales should be eligible to receive the shareholder incentive?

Recommendation: If staff's recommendation in Issue 1 is approved, this issue is moot. If staff's recommendation in Issue 1 is denied, at a minimum the Commission should clarify Order No. 12923 to state that only Schedules C and X are eligible for a shareholder incentive. If the Commission decides to expand the current shareholder incentive, then the incentive should apply to all non-separated sales with the exclusion of emergency sales.

Issue 3: If the Commission decides to maintain the 20 percent shareholder incentive in Issue 1 or approves a new incentive, how should the incentive be structured?

Primary Recommendation: If staff's recommendation in Issue 1 is approved, this issue is moot. If the Commission decides to expand the current incentive, a three-year moving average

Minutes of  
Commission Conference  
August 1, 2000

ITEM NO.

CASE

---

22 DOCKET NO. 991779-EI - Review of the appropriate application of incentives to wholesale power sales by investor-owned electric utilities.

(Continued from previous page)

of the gains on the types of sales approved in Issue 2 should be used to set a threshold for the incentive. Gains made above this threshold should be split 80/20 between ratepayers and shareholders, respectively, from the date of a final Commission order.

Alternative Recommendation: If staff's recommendation in Issue 1 is approved, this issue is moot. If the Commission decides to expand the current incentive in Issue 2, the Commission should allocate the gain on the eligible sales on a 95/5 percent basis between the ratepayers and shareholders, respectively, from the date of a final Commission order.

Issue 4: How should the gains on non-separated sales discussed in Issues 2 and 3 be calculated?

Recommendation: Total gains should be the transaction price less fuel, O&M, SO<sub>2</sub>, transmission, and capacity charges.

Issue 5: Should this docket be closed?

Recommendation: The docket should be closed after the time for filing an appeal on Issues 1, 2, and 3 has run or upon issuance of a consummating order on Issue 4, whichever occurs later.

DECISION: This item was deferred to the August 15, 2000 Commission conference.

ITEM NO.

CASE

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23

DOCKET NO. 981834-TP - Petition of Competitive Carriers for Commission action to support local competition in BellSouth Telecommunications, Inc.'s service territory.

DOCKET NO. 990321-TP - Petition of ACI Corp. d/b/a Accelerated Connections, Inc. for generic investigation to ensure that BellSouth Telecommunications, Inc., Sprint-Florida, Incorporated, and GTE Florida Incorporated comply with obligation to provide alternative local exchange carriers with flexible, timely, and cost-efficient physical collocation.

Critical Date(s): None

Hearing Date(s): Available upon request

Commissioners Assigned: DS JC  
Prehrg Officer DS

Staff: CMP: Hinton, Ileri, Fulwood, Dowds, Barrett, Audu,  
Simmons

LEG: B. Keating

**(ORAL ARGUMENT REQUESTED.)**

Issue 1: Should the Commission grant Sprint's Request for Oral Argument?

Recommendation: No. The pleadings more than adequately address the legal and factual issues presented in Sprint's motion. As such, oral argument would not aid the Commission in rendering its decision.

Issue 2: Should the Commission grant GTEFL's Petition for Reconsideration, BellSouth's Motion for Reconsideration and Clarification and Sprint's Motion for Reconsideration and Clarification?

Recommendation: Staff recommends that the Motions for Reconsideration and/or Clarification be granted, in part, and denied, in part, as follows:

I. Copper Entrance Facilities

Staff recommends that BellSouth's request for clarification regarding the Commission's determination on copper entrance facilities be granted. The Commission should clarify that the Commission's decision only addresses the use of copper entrance cabling within the context of collocation outside a central office (CO), but does not reach the issue of copper cabling in other situations. The Commission should also clarify that only collocation between

ITEM NO.

CASE

---

23

DOCKET NO. 981834-TP - Petition of Competitive Carriers for Commission action to support local competition in BellSouth Telecommunications, Inc.'s service territory.

DOCKET NO. 990321-TP - Petition of ACI Corp. d/b/a Accelerated Connections, Inc. for generic investigation to ensure that BellSouth Telecommunications, Inc., Sprint-Florida, Incorporated, and GTE Florida Incorporated comply with obligation to provide alternative local exchange carriers with flexible, timely, and cost-efficient physical collocation.

(Continued from previous page)

an ALEC's controlled environmental vault (CEV) on an ILEC's property and an ILEC CO was considered in this decision, not interconnection between BellSouth's CO and the ALEC's CO.

II. Conversion of Virtual to Physical Collocation

Staff recommends that BellSouth and GTEFL's Motions for Reconsideration regarding conversion of virtual to physical collocation be granted. In view of the fact that a federal court has now rendered an interpretation of federal law that is directly contrary to this Commission's interpretation on this point, staff believes that the Commission's decision on this point may be considered in error. In conformance with the U.S. Court of Appeals for the D.C. Circuit's ruling (DC Circuit or Court), the Commission should determine that the ILEC, rather than the ALEC, may determine where the ALEC's physical collocation equipment should be placed within a central office, even in situations where the ALEC is converting from virtual to physical collocation.

III. Billing for Conversion

Staff recommends that BellSouth's request for clarification on this point be denied. This issue has been fully and clearly addressed in the Commission's Order. Furthermore, there is no evidence in the record to support BellSouth's requested clarification regarding a space preparation charge.

IV. Cross-Connects between Collocators

Staff recommends that BellSouth's and GTEFL's Motions for Reconsideration regarding the Commission's decision on cross-connects between collocators be granted. The FCC's Order 99-48 and the FCC Rules upon which the Commission relied for its decision on this point have been vacated by the DC Circuit. In view of the fact that a federal court has now rendered an interpretation of federal law that is



ITEM NO.

CASE

---

23

DOCKET NO. 981834-TP - Petition of Competitive Carriers for Commission action to support local competition in BellSouth Telecommunications, Inc.'s service territory.

DOCKET NO. 990321-TP - Petition of ACI Corp. d/b/a Accelerated Connections, Inc. for generic investigation to ensure that BellSouth Telecommunications, Inc., Sprint-Florida, Incorporated, and GTE Florida Incorporated comply with obligation to provide alternative local exchange carriers with flexible, timely, and cost-efficient physical collocation.

(Continued from previous page)

directly contrary to this Commission's interpretation on this point, staff believes that the Commission's decision on this point may be considered in error. In conformance with the Court's decision, the Commission should find that ILECs are not required to allow collocators to cross-connect within a CO. Staff recommends, however, that ILECs be encouraged to consider requests by ALECs for permission to cross-connect.

V. Reservation of Space

Staff recommends that BellSouth's and GTEFL's Motions for Reconsideration be denied as they pertain to reservation of space within a CO. Arguments regarding reservation of space were fully addressed in the Commission's Order. Therefore, BellSouth and GTEFL have failed to identify a mistake of fact or law made by the Commission in rendering its decision.

VI. First-Come, First-Served Rule

Staff recommends that the Commission grant BellSouth and Sprint's Motions for Reconsideration regarding application of the FCC's first-come, first-served rule. The motions for reconsideration demonstrate a mistake made by the Commission in rendering its decision on this point. The Commission should determine that an applicant's place on the waiting list for collocation space should be based upon the date the ILEC received the applicant's collocation application.

VII. Implementation Date

Staff recommends that BellSouth's request for clarification regarding the implementation date of the Commission's Order be denied. The implementation date of the Commission's Order was the issuance date of that Order, May 11, 2000.

ITEM NO.

CASE

---

23

DOCKET NO. 981834-TP - Petition of Competitive Carriers for Commission action to support local competition in BellSouth Telecommunications, Inc.'s service territory.

DOCKET NO. 990321-TP - Petition of ACI Corp. d/b/a Accelerated Connections, Inc. for generic investigation to ensure that BellSouth Telecommunications, Inc., Sprint-Florida, Incorporated, and GTE Florida Incorporated comply with obligation to provide alternative local exchange carriers with flexible, timely, and cost-efficient physical collocation.

(Continued from previous page)

VIII. Equipment

Staff recommends that the Commission grant GTEFL's Motion for Reconsideration regarding the Commission's decision on equipment that an ILEC must allow to be collocated, to the extent that the decision indicates that parties should rely upon the portions of FCC Order 99-48 that have now been vacated by the DC Circuit. The Commission's decision should, however, remain in place to the extent that it relies upon FCC Order 96-325 and the FCC rules promulgated prior to FCC Order 99-48. Staff further recommends that Sprint's request for clarification be denied.

IX. Site Preparation Cost Recovery

Staff recommends that the Commission deny GTEFL's Motion for Reconsideration as it pertains to site preparation cost recovery. GTEFL has not identified any mistake of fact or law made by the Commission in rendering its decision on this point.

X. Tour for Partial Collocation Space

Staff recommends that the Commission deny Sprint's Motion for Reconsideration regarding CO tours when an ILEC denies an ALEC part of the collocation space requested. The arguments presented by Sprint were fully addressed in the Commission's Order. Sprint has not identified any mistake of fact or law made by the Commission in rendering its decision on this point.

XI. Response to Application

Staff recommends that the Commission deny Sprint's Motion for Reconsideration as it applies to the Commission's decision on the timing of responses to applications for collocation space. Sprint has failed to identify any mistake of fact or law made by the Commission in rendering its decision on this point. The issue of collocation at

ITEM NO.

CASE

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23

DOCKET NO. 981834-TP - Petition of Competitive Carriers for Commission action to support local competition in BellSouth Telecommunications, Inc.'s service territory.

DOCKET NO. 990321-TP - Petition of ACI Corp. d/b/a Accelerated Connections, Inc. for generic investigation to ensure that BellSouth Telecommunications, Inc., Sprint-Florida, Incorporated, and GTE Florida Incorporated comply with obligation to provide alternative local exchange carriers with flexible, timely, and cost-efficient physical collocation.

(Continued from previous page)

remote sites was not raised at hearing in addressing this issue, even though it could have been.

XII. Demarcation Point

Staff recommends that the Commission grant Sprint's request for clarification regarding the appropriate demarcation point. The Commission should clarify that POT bays are permissible as demarcation points, but may not be required.

XIII. Price Quotes

Staff recommends that Sprint's request for clarification regarding price quotes be denied. There is nothing in the record to support the requested clarification.

Issue 3: Should the Commission grant the FCCA/AT&T's Cross-Motion for Reconsideration?

Recommendation: FCCA/AT&T's Cross-Motion raises identical points raised by the Motions for Reconsideration addressed in Issue 2, and merely indicates that FCCA/AT&T agree with the movants. As such, the Cross-Motion appears to be redundant, and therefore, inappropriate. If, however, the Commission wishes to rule upon the Cross-Motion for Reconsideration, the Cross-Motion should be granted, in part, and denied, in part, as follows:

Tour for Partial Collocation Space

Staff recommends that the Commission deny FCCA/AT&T's Cross-Motion for Reconsideration regarding CO tours when an ILEC denies an ALEC part of the collocation space requested. The arguments presented were fully addressed in the Commission's Order. FCCA/AT&T have not identified any mistake of fact or law made by the Commission in rendering its decision on this point.

ITEM NO.

CASE

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23

DOCKET NO. 981834-TP - Petition of Competitive Carriers for Commission action to support local competition in BellSouth Telecommunications, Inc.'s service territory.

DOCKET NO. 990321-TP - Petition of ACI Corp. d/b/a Accelerated Connections, Inc. for generic investigation to ensure that BellSouth Telecommunications, Inc., Sprint-Florida, Incorporated, and GTE Florida Incorporated comply with obligation to provide alternative local exchange carriers with flexible, timely, and cost-efficient physical collocation.

(Continued from previous page)

First-Come, First-Served Rule

Staff recommends that the Commission grant FCCA/AT&T's Cross-Motion for Reconsideration regarding application of the FCC's first-come, first-served rule. The cross-motion for reconsideration demonstrates a mistake made by the Commission in rendering its decision on this point. The Commission should determine that an applicant's place on the waiting list for collocation space should be based upon the date of the ILEC's receipt of that applicant's collocation application.

Staff's recommendations on Issue 3 are consistent with its recommendations for Issue 2 on these points. If, however, the Commission modifies or rejects staff's recommendations on Issue 2 with regard to these points, the Commission's decision on Issue 3 should be consistent with the Commission's decision on the same points in Issue 2.

Issue 4: Should these dockets be closed?

Recommendation: No. Whether the Commission approves or rejects Staff's recommendations on Issues 1-3, these dockets should remain open to address pricing for collocation in further proceedings.

DECISION: This item was deferred to the August 15, 2000 Commission conference.

Minutes of  
Commission Conference  
August 1, 2000

<u>ITEM NO.</u>	<u>CASE</u>
24	<p>DOCKET NO. 991605-TP - Petition by BellSouth Telecommunications, Inc. for arbitration of interconnection agreement with Time Warner Telecom of Florida, L.P., pursuant to Section 252(b) of the Telecommunications Act of 1996.</p> <p>Critical Date(s): None</p> <p>Commissioners Assigned: DS JC Prehrg Officer DS</p> <p>Staff: CMP: Marsh, Bloom LEG: Fordham</p> <p><u>Issue 1</u>: Should the Commission acknowledge BellSouth's and Time Warner's withdrawal of petition and close this docket? <u>Recommendation</u>: Yes. The Commission should acknowledge the parties' joint request to withdraw the petition for arbitration and close this docket.</p> <p><u>DECISION</u>: The recommendation was approved.</p> <p>Commissioners participating: Deason, Jacobs</p>

Minutes of  
Commission Conference  
August 1, 2000

ITEM NO.

CASE

---

25

DOCKET NO. 921098-WS - Application for certificates to provide water and wastewater service in Alachua County under grandfather rights by Turkey Creek, Inc. & Family Diner, Inc. d/b/a Turkey Creek Utilities.

Critical Date(s): None

Commissioners Assigned: DS JC  
Prehrg Officer DS

Staff: LEG: Jaeger  
RGO: Brady

Issue 1: Should the Settlement Agreement signed by Turkey Creek Utilities, the City of Alachua, and the Turkey Creek Master Owners Association be approved by the Commission?  
Recommendation: Yes, the Commission should approve the Settlement Agreement. Pursuant to that agreement, the utility should pay \$5,000 to the City of Alachua within 30 days of the Commission's Final Order approving the Settlement Agreement, and the City will then remit that amount to the Turkey Creek Masters Homeowners Association. Contingent upon such payment, the fine imposed by Order No. PSC-96-0350-FOF-WS should be permanently suspended, and the Commission should dismiss with prejudice the Circuit Court case and close Docket No. 921098-WS. Staff should be given the authority to administratively close the docket upon verification that the payment has been made.

DECISION: The recommendations were approved.

Commissioners participating: Deason, Jacobs

Minutes of  
Commission Conference  
August 1, 2000

ITEM NO.

CASE

---

25A DOCKET NO. 981781-SU - Application for amendment of Certificate No. 247-S to extend service area by the transfer of Buccaneer Estates in Lee County to North Fort Myers Utility, Inc.

Critical Date(s): None (Critical date requiring that Commission must grant or deny emergency request for rule variance within 30 days of receipt of petition has been waived.)

Commissioners Assigned: DS JC  
Prehrg Officer JC

Staff: LEG: Brubaker  
RGO: Messer

Issue 1: Should the Commission approve the proposed Agreement between North Fort Myers Utility, Inc., the Buccaneer Estates Homeowners Association, and Snowbirdland Vista, Inc., MHC-DeAnza Financing Limited Partnership, Manufactured Home Communities, Inc.?

Recommendation: Yes. The proposed Agreement should be approved, with the clarifications that the Commission shall not be bound by contracts between parties which might impact rate determinations in future rate cases of regulated entities, and that the utility should be entitled to bill for the additional months of arrearage incurred during the pendency of this matter.

Issue 2: Should the Office of Public Counsel's request for an emergency variance or waiver of Rules 25-30.135 and 25-30.320, Florida Administrative Code, be granted?

Recommendation: If the Commission approves staff's recommendation in Issue 1, there is no need to rule on OPC's request for emergency variance or waiver of Rules 25-30.135 and 25-30.320, Florida Administrative Code, because it is moot.

Issue 3: Should this docket be closed?

Recommendation: Yes. If the Commission approves staff's recommendation in Issues 1 and 2, no further action will be necessary and this docket should be closed.

DECISION: The recommendations were approved with a modification to Issue No. 1 that within 30 days of the date of the order, North Fort Myers Utility, Inc. shall file a revised tariff reflecting the Commission's decision in this matter.

Commissioners participating: Deason, Jacobs

Minutes of  
Commission Conference  
August 1, 2000

<u>ITEM NO.</u>	<u>CASE</u>
25B	DOCKET NO. 980992-WS - Complaint by D.R. Horton Custom Homes, Inc. against Southlake Utilities, Inc. in Lake County regarding collection of certain AFPI charges. DOCKET NO. 981609-WS - Emergency petition by D.R. Horton Custom Homes, Inc. to eliminate authority of Southlake Utilities, Inc. to collect service availability charges and AFPI charges in Lake County.

Critical Date(s): None

Commissioners Assigned: DS JC  
Prehrg Officer DS

Staff: ECR: D. Draper, Fletcher, Merchant  
LEG: Cibula

Issue 1: Should Southlake Utilities, Inc., be ordered to show cause, in writing, within 21 days, why it should not be fined for its apparent violation of Order No. PSC-00-0917-SC-WS, for failing to file the proper security for amounts being held subject to refund in the event of a protest?

Recommendation: Yes. The utility should be ordered to show cause, in writing, why it should not be fined ~~\$100~~ \$500 per day from May 30, 2000, for its apparent violation of Order No. PSC-00-0917-SC-WS. The show cause order should incorporate the conditions stated in the analysis portion of staff's June 29, 2000, memorandum.

Issue 2: Should the utility's request for a corporate undertaking be approved?

Recommendation: No. Southlake cannot support a corporate undertaking in the amount of \$735,592.

Issue 3: Should these dockets be closed?

Recommendation: No. These dockets should remain open pending the outcome of the Commission's final action in these dockets.

DECISION: The recommendations were approved with the noted modification to Issue 1.

Commissioners participating: Deason, Jacobs



Minutes of  
Commission Conference  
August 1, 2000

ITEM NO.

CASE

---

26 DOCKET NO. 000061-EI - Complaint by Allied Universal Corporation and Chemical Formulators, Inc. against Tampa Electric Company for violation of Sections 366.03, 366.06(2) and 366.07, F.S., with respect to rates offered under commercial/industrial service rider tariff; petition to examine and inspect confidential information; and request for expedited relief.

Critical Date(s): None

Commissioners Assigned: DS JC JB  
Prehr Officer JC

Staff: LEG: Stern, Elias  
ECR: E. Draper

Issue 1: Should TECO's and Odyssey's Requests for Oral Argument be granted?

Recommendation: The Requests for Oral Argument do not need to be ruled on because the docket has not been to hearing. Each party should be allowed ten minutes to address the Commission.

Issue 2: Should the Commission grant the Motions for Reconsideration filed by TECO and Odyssey?

Recommendation: The Commission should deny TECO's Motion because it does not identify any points of fact or law that were overlooked or not considered by the Prehearing Officer. The Commission should deny part of Odyssey's Motion for the same reason, and does not need to rule on that portion of the Motion to which Allied has no objection.

Issue 3: Should this docket be closed?

Recommendation: No. This docket should not be closed.

DECISION: The recommendations were approved. Additionally, the Commissioners acknowledged the stipulation reached by the parties at the conference, and addressed Mr. Long's concern about confidential language within the tariff.

Commissioners participating: Deason, Jacobs, Jaber

Minutes of  
Commission Conference  
August 1, 2000

<u>ITEM NO.</u>	<u>CASE</u>
27	<p>DOCKET NO. 991267-TP - Complaint and/or petition for arbitration by Global NAPS, Inc. for enforcement of Section VI(B) of its interconnection agreement with BellSouth Telecommunications, Inc., and request for relief.</p> <p>Critical Date(s): None</p> <p>Hearing Date(s): 1/10/00, Talla., Prehrg., JC 1/25/00, Talla. DS CL JC</p> <p>Commissioners Assigned: DS JC Prehrg Officer JC</p> <p>Staff: CMP: Marsh LEG: B. Keating</p> <p><u>Issue 1</u>: Should GNAPS' Motion for Extension of Time to Respond to BellSouth's Motion for Reconsideration be granted? <u>Recommendation</u>: Yes. Staff recommends that the extension be granted. The two-day extension will neither cause any undue burden to any party nor will it give any undue advantage to either party.</p> <p><u>Issue 2</u>: Should BellSouth's Motion for Reconsideration be granted? <u>Recommendation</u>: No. BellSouth has failed to identify any fact overlooked by the Commission or any mistake of law made by the Commission in rendering its decision.</p> <p><u>Issue 3</u>: Should this docket be closed? <u>Recommendation</u>: Yes. If the Commission approves staff's recommendation in Issues 1 and 2, this docket should be closed.</p>

DECISION: The recommendations were approved.

Commissioners participating: Deason, Jacobs

Minutes of  
Commission Conference  
August 1, 2000

<u>ITEM NO.</u>	<u>CASE</u>
28	<p>DOCKET NO. 991946-TP - Request for arbitration concerning complaint of ITC^DeltaCom Communications, Inc. against BellSouth Telecommunications, Inc. for breach of interconnection terms, and request for immediate relief.</p> <p>Critical Date(s): None</p> <p>Commissioners Assigned: JC JB Prehrg Officer JC</p> <p>Staff: LEG: Caldwell CMP: Marsh</p> <p><u>Issue 1</u>: Should the Commission grant ITC^DeltaCom's Motion for Summary Final Order? <u>Recommendation</u>: Yes. Staff recommends that the Commission grant ITC^DeltaCom's Motion for Final Summary Order.</p> <p><u>Issue 2</u>: Is the prevailing party entitled to attorney's fees under the agreement? <u>Recommendation</u>: Yes. The interconnection agreement provides that the prevailing parties are entitled to receive attorney's fees. Thus, if the Commission approves staff's recommendation in Issue 1, <del>GNAPS</del> <u>ITC^DeltaCom</u> would be entitled to attorney's fees.</p> <p><u>Issue 3</u>: Should this docket be closed? <u>Recommendation</u>: Yes. If the Commission approves staff's recommendation on Issues 1 and 2, no further action by the Commission is necessary; therefore, the docket should be closed.</p> <p><u>DECISION</u>: This item was deferred to a later Commission conference.</p>

Minutes of  
Commission Conference  
August 1, 2000

<u>ITEM NO.</u>	<u>CASE</u>
29	<p>DOCKET NO. 000003-GU - Purchased gas adjustment (PGA) true-up.</p> <p>Critical Date(s): None</p> <p>Commissioners Assigned: JC JB Prehrg Officer JB</p> <p>Staff: CMP: Makin, Bulecza-Banks LEG: C. Keating</p> <p><u>Issue 1:</u> Should the Commission grant South Florida Natural Gas's (South Florida or the Company) petition for an increase in its Purchased Gas Adjustment (PGA) cap from 31.066 cents per therm to 51.222 cents per therm? <u>Recommendation:</u> Yes. The Commission should approve the proposed PGA cap of 51.222 cents per therm effective August 1, 2000, the date of the Commission vote, through the December 31, 2000 billing cycles.</p> <p><u>Issue 2:</u> Should this docket be closed? <u>Recommendation:</u> No. The Purchased Gas Adjustment True-up docket is ongoing and should remain open.</p>

DECISION: The recommendations were approved.

Commissioners participating: Jacobs, Jaber

Minutes of  
Commission Conference  
August 1, 2000

<u>ITEM NO.</u>	<u>CASE</u>
30	<p>DOCKET NO. 980703-TP - Request for arbitration concerning complaint of Easy Cellular, Inc. d/b/a Telcom Plus against BellSouth Telecommunications, Inc. for alleged violations of the Telecommunications Act of 1996 and Chapter 364 of the Florida Statutes.</p> <p>Critical Date(s): None</p> <p>Commissioners Assigned: JC JB Prehrg Officer JC</p> <p>Staff: CMP: Simmons LEG: B. Keating PAI: Cordiano</p> <p><u>Issue 1</u>: Should the Commission, on its own motion, dismiss Easy Cellular's Complaint Against BellSouth for failure to pursue the complaint? <u>Recommendation</u>: Yes. Easy Cellular has not responded to staff inquiries regarding the status of the parties' negotiations or litigation and has not made any filing in this docket for well over one year. Therefore, staff recommends that the Complaint be dismissed without prejudice.</p> <p><u>Issue 2</u>: Should this docket be closed? <u>Recommendation</u>: Yes. If the Commission approves staff's recommendation in Issue 1, this docket should be closed.</p> <p><u>DECISION</u>: The recommendations were approved.</p> <p>Commissioners participating: Jacobs, Jaber</p>

Minutes of  
Commission Conference  
August 1, 2000

<u>ITEM NO.</u>	<u>CASE</u>
31	<p>DOCKET NO. 991854-TP - Petition of BellSouth Telecommunications, Inc. for Section 252(b) arbitration of interconnection agreement with Intermedia Communications, Inc.</p> <p>Critical Date(s): None (Statutory time limit waived.)</p> <p>Hearing Date(s): 3/17/00, Talla., Prehrg., JC 4/10/00, Talla., JC JB</p> <p>Commissioners Assigned: JC JB Prehrg Officer JC</p> <p>Staff: CMP: Dowds, Fulwood, Hinton, King, T. Watts LEG: Vaccaro</p> <p><u>Issue A</u>: Should the Commission grant Intermedia's Motions for Leave to Submit Supplemental Authority? <u>Recommendation</u>: No. The Commission should deny Intermedia's Motions for Leave to Submit Supplemental Authority as irrelevant to this proceeding. In the event that the Commission does grant Intermedia's motions, the Commission should only give the motions the weight they deserve, as suggested by BellSouth's responses.</p> <p><u>DECISION</u>: The recommendation was denied.</p> <p><u>Issue 2</u>: Should the definition of "Local Traffic" for purposes of the parties' reciprocal compensation obligations under Section 251(b)(5) of the 1996 Act include the following: a) ISP traffic? <u>Recommendation</u>: Staff recommends that the parties should continue to operate under the terms of their current interconnection agreement in regards to this issue until the FCC issues its final ruling on whether ISP-bound traffic should be defined as local or whether reciprocal compensation is due for ISP-bound traffic.</p> <p><u>DECISION</u>: The recommendation was approved, with the explanation that the reason for waiting on the FCC decision is due to a lack of compelling evidence, and because we anticipate a generic proceeding that will be consistent with the FCC decision.</p>

ITEM NO.

CASE

---

31 DOCKET NO. 991854-TP - Petition of BellSouth  
Telecommunications, Inc. for Section 252(b) arbitration of  
interconnection agreement with Intermedia Communications,  
Inc.

(Continued from previous page)

Issue 3: Should Intermedia be compensated for end office,  
tandem, and transport elements, for purposes of reciprocal  
compensation?

Recommendation: Yes, in part. Staff recommends that  
Intermedia be compensated for end office and transport  
elements, for purposes of reciprocal compensation. However,  
Staff recommends that Intermedia not be compensated for the  
tandem element.

DECISION: The recommendation was approved.

Issue 10: Are BellSouth's policies regarding conversion of  
virtual to physical collocation reasonable?

Recommendation: No. The Commission should adopt its final  
decision regarding the conversion of virtual to physical  
collocation, made in Dockets Nos. 981834-TP and 990321-TP.  
~~Order No. PSC-00-0941-FOF-TP, issued May 11, 2000.~~

DECISION: The recommendation was approved with the noted  
modifications.

Issue 12: What is the appropriate definition of "currently  
combines" pursuant to FCC Rule 51.315(b)?

Recommendation: The appropriate definition of "currently  
combines" pursuant to FCC Rule 51.315(b) is currently  
pending before the Eighth Circuit Court. Until the Eighth  
Circuit Court renders its decision, where combinations are  
in fact already combined and existing within BellSouth's  
network, staff recommends that, at a minimum, BellSouth  
should be required to make them available to requesting  
telecommunications carriers in that combined form at UNE  
rates.

DECISION: The recommendation was approved.

Issue 13(a): Should BellSouth be required to provide access  
to enhanced extended links ("EELs") at UNE rates?

ITEM NO.

CASE

---

31 DOCKET NO. 991854-TP - Petition of BellSouth Telecommunications, Inc. for Section 252(b) arbitration of interconnection agreement with Intermedia Communications, Inc.

(Continued from previous page)

Recommendation: Yes. Per FCC Order No. 99-238, BellSouth should be required to provide access only to enhanced extended links ("EELs") that are "currently combined" within its network at UNE rates.

DECISION: The recommendation was approved.

Issue 13(b): Should BellSouth be required to allow Intermedia to convert existing special services to EELs at UNE rates?

Recommendation: Yes, BellSouth should be required to allow Intermedia to convert existing special access services to "EELs" at UNE rates, if Intermedia is providing a "significant amount of local traffic" to the customer. At a minimum, if an ALEC is providing all of a customer's local service, the ALEC is carrying a "significant amount of local traffic" for that customer and therefore the incumbent should be required to convert any existing special access services to "EELs" at UNE rates.

DECISION: The recommendation was approved.

Issue 18(c): Should BellSouth be required to provide access on an unbundled basis in accordance with, and as defined in, the FCC's UNE Remand Order to packet switching capabilities?

Recommendation: Yes. Staff recommends that BellSouth should only be required to provide access to packet switching capabilities as an unbundled network element under the limited circumstances identified in FCC Rule 51.319(c)(5). Moreover, since BellSouth is bound by FCC Rules, it is unnecessary to include the language of FCC Rule 51.319(c)(5) in the agreement.

DECISION: The recommendation was approved.

Issue 22: Should BellSouth be required to provide non-discriminatory access to interoffice transmission facilities



ITEM NO.

CASE

---

31 DOCKET NO. 991854-TP - Petition of BellSouth Telecommunications, Inc. for Section 252(b) arbitration of interconnection agreement with Intermedia Communications, Inc.

(Continued from previous page)

in accordance with, and as defined in, the FCC's UNE Remand Order?

Recommendation: Yes. Staff recommends that BellSouth should be required to provide non-discriminatory access to interoffice transmission facilities, in accordance with, and as defined in, the FCC's Remand Order.

DECISION: The recommendation was approved.

Issue 25: Should BellSouth be required to furnish access to the following as UNEs: (i) User to Network Interface ("UNI"); (ii) Network-to-Network Interface ("NNI"); and (iii) Data Link Control Identifiers ("DLCI"), at Intermedia-specified committed information rates ("CIR")?

Recommendation: No. BellSouth should not be required to furnish access to UNI, NNI, and DLCI as UNEs.

DECISION: The recommendation was approved.

Issue 26: Should parties be allowed to establish their own local calling areas and assign numbers for local use anywhere within such areas, consistent with applicable law?

Recommendation: Yes. Staff recommends that parties be allowed to establish their own local calling areas. However, staff recommends that parties not be allowed to assign numbers for local use anywhere within such local calling areas, since there is no evidence in the record indicating that parties can provide information necessary for the proper rating of calls to numbers assigned outside of the areas to which they are traditionally associated.

DECISION: The recommendation was approved.

Issue 29: In the event Intermedia chooses multiple tandem access ("MTA"), must Intermedia establish points of interconnection at all BellSouth access tandems where Intermedia's NXXs are "homed"?

ITEM NO.

CASE

---

31 DOCKET NO. 991854-TP - Petition of BellSouth Telecommunications, Inc. for Section 252(b) arbitration of interconnection agreement with Intermedia Communications, Inc.

(Continued from previous page)

Recommendation: Yes. Staff recommends that, in the event Intermedia chooses MTA as an interconnection option, Intermedia should be required to establish points of interconnection at all BellSouth access tandems where Intermedia's NXXs are homed.

DECISION: The recommendation was approved.

Issue 30: Should Intermedia be required to:

- a) designate a "home" local tandem for each assigned NPA/NXX; and
- b) establish points of interconnection to BellSouth access tandems within the LATA on which Intermedia has NPA/NXXs homed?

Recommendation: Yes. Staff recommends that for each assigned NPA/NXX, Intermedia should be required to designate a "home" local tandem, as well as establish a point of interconnection to each of BellSouth's local and switched access tandems within the LATA to which Intermedia has those NPA/NXXs homed. Also, staff recommends the following language changes in BellSouth's proposed definition of local tandem interconnection:

- (1) the exchange of local traffic between Intermedia and BellSouth end offices within the local calling area as defined in BellSouth's GSST, section A3 served by those BellSouth local tandems, and (2). . .

DECISION: The recommendation was approved.

Issue 31: For purposes of compensation, how should IntraLATA Toll Traffic be defined?

Recommendation: IntraLATA Toll Traffic should be defined as any telephone call that is not local or switched access per the parties' agreement.

DECISION: The recommendation was approved.

ITEM NO.

CASE

---

31 DOCKET NO. 991854-TP - Petition of BellSouth Telecommunications, Inc. for Section 252(b) arbitration of interconnection agreement with Intermedia Communications, Inc.

(Continued from previous page)

Issue 32: How should "Switched Access Traffic" be defined?

Recommendation: Switched Access Traffic should be defined in accordance with BellSouth's existing access tariff and should include ~~IP~~ phone to phone Internet Protocol Telephony.

DECISION: The recommendation was approved with the noted modification.

Issue 37: Should all framed packet data transported within a Virtual Circuit that originate and terminate within a LATA be classified as local traffic?

Recommendation: Yes, for purposes of establishing interconnection between the parties, framed packet data transported within a Virtual Circuit that originate and terminate within a LATA should be classified as local traffic. However, there is insufficient record evidence for this Commission to conclude that this traffic is subject to reciprocal compensation.

DECISION: The recommendation was approved.

Issue 39: What are the appropriate charges for the following:

- a) interconnection trunks between the parties' frame relay switches,
- b) frame relay network-to-network interface ("NNI") parts,
- c) permanent virtual circuit ("PVC") segment (i.e., Data Link Connection Identifier ("DLCI") and Committed Information Rates ("CIR"), and
- d) requests to change a PVC segment or PVC service order record?

Recommendation: The appropriate charges for these frame relay rate elements are the rates contained in BellSouth's interstate access tariff.

ITEM NO.

CASE

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31 DOCKET NO. 991854-TP - Petition of BellSouth Telecommunications, Inc. for Section 252(b) arbitration of interconnection agreement with Intermedia Communications, Inc.

(Continued from previous page)

Issue 45: Should the interconnection agreement specifically state that the agreement does not address or alter either party's provision of Exchange Access Frame Relay Service or interLATA Frame Relay Service?

Recommendation: The parties have resolved this issue; therefore, no action is required by the Commission.

DECISION: No vote.

Issue 49: Should this docket be closed?

Recommendation: No. The parties should be required to submit a signed agreement that complies with the Commission's decisions in this docket for approval within 30 days of issuance of the Commission's Order. This docket should remain open pending Commission approval of the final arbitration agreement in accordance with Section 252 of the Telecommunications Act of 1996.

DECISION: The recommendation was approved.

Commissioners participating: Jacobs, Jaber

Table of Contents  
 Commission Conference Agenda  
 August 1, 2000

ITEM NO.	CASE	PAGE
1	Approval of Minutes . . . . .	2
2	Consent Agenda . . . . .	2
3	DOCKET NO. 960598-TP - Request for submission of proposal for provision of relay service, beginning in June 1997, for the hearing and speech impaired, and other implementation matters in compliance with the Florida Telecommunications Access System Act of 1991. . . . .	7
4	DOCKET NO. 000764-TI - Petition by PNG Telecommunications, Inc. for limited waiver of Rule 25-4.118, F.A.C., Interexchange Carrier Selection, and for transfer of NTA Communications Corporation customer accounts from Broadwing Communications to PNG Telecommunications, Inc. . . . .	8
5	DOCKET NO. 000638-TC - Request for exemption from requirement of Rule 25-24.515(13), F.A.C., that each pay telephone station shall allow incoming calls, by BellSouth Public Communications, Inc. . . . .	9
6	DOCKET NO. 000353-TC - Application for certificate to provide pay telephone service by Chong O. Kim, Inc. d/b/a Quick Trip Food Mart and request for waiver of Rule 25-24.511(5), F.A.C. . . . .	10
7	DOCKET NO. 992009-TC - Cancellation by Florida Public Service Commission of Pay Telephone Service Certificate No. 1788 issued to Sunshine Shell for violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies. . . . .	11
8	DOCKET NO. 981444-TP - Number Utilization Study: Investigation into Number Conservation Measures. . . . .	12

Table of Contents  
 Commission Conference Agenda  
 August 1, 2000

ITEM NO.	CASE	PAGE
9	DOCKET NO. 991835-WS - Application for allowance for funds prudently invested (AFPI) charge for additional water improvements and for additional lines associated with wastewater extension into George Mayo subdivision in Marion County, by Tradewinds Utilities, Inc. . . . .	13
10	DOCKET NO. 000662-SU - Application for limited proceeding for an increase and restructuring of monthly wastewater charges by BFF Corp. in Marion County. . . . .	14
11	DOCKET NO. 991902-SU - Investigation into the wastewater rates of Commercial Utilities, Division of Grace & Company, Inc., in Duval County. . . . .	15
12	DOCKET NO. 000715-SU - Investigation of possible overearnings by North Peninsula Utilities Corporation in Volusia County. . . . .	16
13	DOCKET NO. 991437-WU - Application for increase in water rates in Orange County by Wedgefield Utilities, Inc. . . . .	18
14	DOCKET NO. 000036-TI - Initiation of show cause proceedings against USLD Communications, Inc. for apparent violation of Rule 25-4.043, F.A.C., Response to Commission Staff Inquiries; and investigation and determination of appropriate method for refunding interest and overcharges on intrastate 0+ calls made from pay telephones and in a call aggregator context. . . . .	24
15	DOCKET NO. 000475-TP - Complaint by BellSouth Telecommunications, Inc. against Thrifty Call, Inc. regarding practices in the reporting of percent interstate usage for compensation for jurisdictional access services. . . . .	27

Table of Contents  
 Commission Conference Agenda  
 August 1, 2000

ITEM NO.	CASE	PAGE
16	DOCKET NO. 980864-EI - Complaint by Albert Sadaka against Florida Power & Light Company regarding backbilling. . . . .	28
17	DOCKET NO. 981079-SU - Application for amendment of Certificate No. 104-S to extend service territory in Pasco County by Hudson Utilities, Inc., and request for limited proceeding. . . . .	29
18	DOCKET NO. 980954-WS - Disposition of contributions-in-aid-of-construction (CIAC) gross-up funds collected during the years 12/31/92 through 12/31/96 by JJ's Mobile Homes, Inc. in Lake County. . . . .	30
19	DOCKET NO. 000333-WU - Application for transfer of water facilities in Orange County from Tangerine Water Company, Inc., holder of Certificate No. 96-W, to Florida Water Services Corporation; for amendment of Certificate No. 84-W held by Florida Water Services Corporation; for cancellation of Certificate No. 96-W; and for territory correction. . . . .	31
20	DOCKET NO. 000758-EI - Petition for approval of a pilot program for small photovoltaic systems by Tampa Electric Company. . . . .	33
21	DOCKET NO. 000759-EI - Petition by Tampa Electric Company for revisions to Emergency On-Demand Energy Service Agreement. . . . .	34
22	DOCKET NO. 991779-EI - Review of the appropriate application of incentives to wholesale power sales by investor-owned electric utilities. . . . .	35

Table of Contents  
 Commission Conference Agenda  
 August 1, 2000

ITEM NO.	CASE	PAGE
23	DOCKET NO. 981834-TP - Petition of Competitive Carriers for Commission action to support local competition in BellSouth Telecommunications, Inc.'s service territory. DOCKET NO. 990321-TP - Petition of ACI Corp. d/b/a Accelerated Connections, Inc. for generic investigation to ensure that BellSouth Telecommunications, Inc., Sprint-Florida, Incorporated, and GTE Florida Incorporated comply with obligation to provide alternative local exchange carriers with flexible, timely, and cost-efficient physical collocation. . . . .	37
24	DOCKET NO. 991605-TP - Petition by BellSouth Telecommunications, Inc. for arbitration of interconnection agreement with Time Warner Telecom of Florida, L.P., pursuant to Section 252(b) of the Telecommunications Act of 1996. . . .	43
25	DOCKET NO. 921098-WS - Application for certificates to provide water and wastewater service in Alachua County under grandfather rights by Turkey Creek, Inc. & Family Diner, Inc. d/b/a Turkey Creek Utilities. . . . .	44
26	DOCKET NO. 000061-EI - Complaint by Allied Universal Corporation and Chemical Formulators, Inc. against Tampa Electric Company for violation of Sections 366.03, 366.06(2) and 366.07, F.S., with respect to rates offered under commercial/industrial service rider tariff; petition to examine and inspect confidential information; and request for expedited relief. . . . .	45
27	DOCKET NO. 991267-TP - Complaint and/or petition for arbitration by Global NAPS, Inc. for enforcement of Section VI(B) of its interconnection agreement with BellSouth Telecommunications, Inc., and request for relief. . . . .	46



Table of Contents  
 Commission Conference Agenda  
 August 1, 2000

ITEM NO.	CASE	PAGE
28	DOCKET NO. 991946-TP - Request for arbitration concerning complaint of ITC^DeltaCom Communications, Inc. against BellSouth Telecommunications, Inc. for breach of interconnection terms, and request for immediate relief. . . . .	47
29	DOCKET NO. 000003-GU - Purchased gas adjustment (PGA) true-up. . . . .	48
30	DOCKET NO. 980703-TP - Request for arbitration concerning complaint of Easy Cellular, Inc. d/b/a Telcom Plus against BellSouth Telecommunications, Inc. for alleged violations of the Telecommunications Act of 1996 and Chapter 364 of the Florida Statutes. . . . .	49
31	DOCKET NO. 991854-TP - Petition of BellSouth Telecommunications, Inc. for Section 252(b) arbitration of interconnection agreement with Intermedia Communications, Inc. . . . .	50