MINUTES OF

COMMISSION CONFERENCE DECEMBER 17, 2001

COMMENCED: 9:30 a.m. ADJOURNED: 11:30 a.m.

COMMENCED: 12:20 p.m. ADJOURNED: 1:30 p.m.

COMMISSIONERS PARTICIPATING: Chairman Jacobs

Commissioner Deason Commissioner Jaber Commissioner Baez Commissioner Palecki

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

1 Approval of Minutes

November 6, 2001 Regular Commission Conference November 7, 2001 Special Commission Conference

DECISION: The minutes were approved.

ITEM NO. CASE

2** Consent Agenda

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

DOCKET NO.	COMPANY NAME
011342-TX	TotalCom America Corporation
011582-TX	LightWave Communications, LLC
011385-TX	D-Tel, Inc.
011218-TX	Dominion Telecom, Inc.
011205-TX	Dialtone Telecom, LLC
011600-TX	City of Daytona Beach
011617-TX	Time Warner Cable Information Services (Florida), LLC d/b/a Time Warner Cable Information Services d/b/a Time Warner Cable d/b/a Time Warner Communications

PAA B) Applications for certificates to provide interexchange telecommunications service.

DOCKET NO.	COMPANY NAME
011596-TI	OneLink Communications, Inc.
011359-ТІ	BAK Communications, LLC
011217-TI	Dominion Telecom, Inc.
011343-TI	VCV Communications, Inc.
011618-TI	Time Warner Cable Information Services (Florida), LLC d/b/a Time Warner Cable Information Services d/b/a Time Warner Cable d/b/a Time Warner Communications
011161-TI	TDI Communications, Inc.

TEM NO.		CASE			
2**	Consent Agend	Consent Agenda			
	(Continued fr	(Continued from previous page)			
PAA	C) Application for certificate to provide pay telephone service.				
	DOCKET NO.	ET NO. COMPANY NAME			
	011607-TC	City of Tavares			
PAA	 D) DOCKET NO. 011347-TC - Request for cancellation of Pay Telephone Certificate No. 5853 by CHAI Enterprises, In and application for certificate to provide pay telephoservice by Chai Enterprises, Inc. E) Requests for exemption from requirement of Rule 25-24.515(13), F.A.C., that each pay telephone station shallow incoming calls. 				
PAA	24.515(13)	, F.A.C., that each pa	irement of Rule 25-		
PAA	24.515(13)	, F.A.C., that each pa	irement of Rule 25-		

011511-TC LoneStar Telcom, Inc. 954-523-1292

954-523-1434 Andrews Avenue

1144 S. Andrews

Fort Lauderdale

Shell

Ave.

ITEM NO. CASE

2** Consent Agenda

(Continued from previous page)

DOCKET NO.	COMPANY NAME	PHONE NO. & LOCATION
011512-TC	LoneStar Telcom, Inc.	954-396-4987 954-537-6074 Dixie Shell & Car Wash 3091 N. Dixie Hwy. Fort Lauderdale
011583-TC	BellSouth Public Communications, Inc.	954-726-9159 Plum Harbor Pool 5975 S. Golden Beauty Tamarac
		954-724-8239 Plum Bay Pool 9710 S. Grand Duke Cir Tamarac

PAA

F) DOCKET NO. 011601-TP - Notification of pro forma intracorporate restructuring of Grande Communications Network, Inc. (holder of ALEC Certificate No. 7514 and IXC Certificate No. 7727).

<u>RECOMMENDATION</u>: The Commission should approve the action requested in the dockets referenced above and close these dockets.

DECISION: The recommendation was approved.

ITEM NO. CASE

3**

Docket No. 011495-WS - Proposed adoption of Rule 25-30.4705, F.A.C., Calculation of Rate Reduction After Rate Case Expens is Amortized.

Critical Date(s): None

Rule Status: Proposed

Commissioners Assigned: Full Commission

Prehearing Officer: Palecki

Staff: APP: Cibula

ECR: Hewitt, Willis

LEG: Harris

ISSUE 1: Should the Commission propose the adoption of Rule 25-30.4705, Florida Administrative Code, titled Calculation of Rate Reduction After Rate Case Expense is Amortized, whic sets forth the methodology used to remove rate case expense from rates after the four-year amortization period expires, as required by Section 367.0816, Florida Statutes?

RECOMMENDATION: Yes. The Commission should propose the adoption of Rule 25-30.4705, Florida Administrative Code.

ISSUE 2: Should this docket be closed?

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

<u>DECISION</u>: The recommendations were approved with the clarification that mention of "other cost increases" will not be included in the order.

ITEM NO. CASE

4 * *

Docket No. 010982-EU - Proposed Rule 25-6.065, F.A.C., Interconnection of Small Photovoltaic Systems.

Critical Date(s): None

Rule Status: Adoption

Commissioners Assigned: Full Commission Prehearing Officer: Administrative

Staff: APP: Moore
ECR: Hewitt
PAI: Dean

be closed?

SER: Colson

<u>ISSUE 1</u>: Should the Commission adopt changes to Rule 25-6.065, Florida Administrative Code, Interconnection of Small Photovoltaic Systems?

<u>RECOMMENDATION</u>: Yes. The Commission should adopt a change t the rule to clarify what costs must be borne by the utility.

<u>ISSUE 2</u>: Should the rule as approved by the Commission be filed for adoption with the Secretary of State and the docke

<u>RECOMMENDATION</u>: Yes. The rule should be filed for adoption after the changes are published in the Florida Administrativ Weekly.

DECISION: The recommendations were approved.

ITEM NO. CASE

5 * *

Docket No. 010409-TP - Petition by Citizens of State of Florida for investigation of Talk America Inc. and its affiliate, The Other Phone Company, Inc. d/b/a Access One Communications, for willful violation of Rule 25-4.118, F.A.C.

Docket No. 010564-TX - Investigation of possible violation o Commission Rules 25-4.118 and 25-24.110, F.A.C., or Chapter 364, F.S., by The Other Phone Company, Inc. d/b/a Access One Communications, holder of ALEC Certificate No. 4099, and Tal America Inc, holder of ALEC Certificate No. 4692.

Critical Date(s): None

Commissioners Assigned: Full Commission

Prehearing Officer: Jaber

Staff: APP: Cibula, Bellak

CMP: M. Watts

<u>ISSUE 1</u>: Should the Commission grant Talk America's Motion for Clarification and Extension of Time? RECOMMENDATION: Talk America's Motion for Clarification and Extension of Time should be granted in part and denied in part. Order No. PSC-01-2107-SC-TP should be amended to include the list provided in Attachment A of staff's Decembe 5, 2001 memorandum, which sets forth Talk America's apparent violations by complaint number and categorizes the complaint under the applicable violation. Hearing staff should be ordered to provide the customer complaint forms generated by the Division of Consumer Affairs that correspond to the customer complaints set forth in Attachment A within 10 days of the issuance date of the order rendered in this matter. Furthermore, Order No. PSC-01-2107-SC-TP should be amended t clarify that each complaint forms the basis for a single violation. Moreover, Talk America should file its response to Order No. PSC-01-2107-SC-TP within 30 days after the hearing staff provides the customer complaint forms to Talk America. The Commission should deny Talk America's request for a separate list from the Commission detailing the company's apparent violations by billing telephone number an customer name, as such a list is unnecessary if Attachment A

ITEM NO. CASE

5**

Docket No. 010409-TP - Petition by Citizens of State of Florida for investigation of Talk America Inc. and its affiliate, The Other Phone Company, Inc. d/b/a Access One Communications, for willful violation of Rule 25-4.118, F.A.C.

Docket No. 010564-TX - Investigation of possible violation of Commission Rules 25-4.118 and 25-24.110, F.A.C., or Chapter 364, F.S., by The Other Phone Company, Inc. d/b/a Access One Communications, holder of ALEC Certificate No. 4099, and Talk America Inc, holder of ALEC Certificate No. 4692.

(Continued from previous page)

and the customer complaint forms generated by the Division o Consumer Affairs are provided to Talk America.

ISSUE 2: Should these dockets be closed?

RECOMMENDATION: No. These dockets should remain open to allow Talk America to file its response to Order No. PSC-01-2107-SC-TP as discussed in Issue 1.

DECISION: This item was deferred.

ITEM NO. CASE

6**PAA

Docket No. 010858-TI - Investigation and determination of appropriate method for refunding payphone surcharges, plus interest, applied to calls made from non-payphones by AT&T Communications of the Southern States, Inc. d/b/a Connect 'N Save and d/b/a Lucky Dog Phone Co. and d/b/a ACC Business.

Critical Date(s): None

Commissioners Assigned: Full Commission Prehearing Officer: Administrative

Staff: CMP: Kennedy, Buys LEG: B. Keating

ISSUE 1: Should the Commission accept the settlement offer proposed by AT&T to resolve the imposition of payphone surcharges on intrastate calls made from non-payphones durin the calendar years 1998, 1999, and 2000?

RECOMMENDATION: Yes. The Commission should accept AT&T's proposed settlement offer to contribute \$135,000 to the Stat General Revenue Fund to resolve the imposition of payphone surcharges on intrastate calls made from non-payphones durin the calendar years 1998, 1999, and 2000. The contribution should be received by the Commission within ten business day from the issuance date of the Commission's 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.

ITEM NO. CASE

6**PAA

Docket No. 010858-TI - Investigation and determination of appropriate method for refunding payphone surcharges, plus interest, applied to calls made from non-payphones by AT&T Communications of the Southern States, Inc. d/b/a Connect 'N Save and d/b/a Lucky Dog Phone Co. and d/b/a ACC Business.

(Continued from previous page)

ISSUE 2: Should this docket be closed?

RECOMMENDATION: If no person whose substantial interests ar affected by the proposed agency action files a protest of th Commission's decision on Issue 1 within the 21-day protest period, the Commission's order will become final upon issuance of a consummating order. This docket should remain open pending receipt of the \$135,000 contribution. Upon receipt of the \$135,000 contribution, it should be forwarded to the Office of the Comptroller for deposit in the State General Revenue Fund, and this docket should be closed administratively.

DECISION: The recommendations were approved.

ITEM NO. CASE

7**PAA

Docket No. 011366-TI - Petition for limited waiver of Rule 25-4.118, F.A.C., Interexchange Carrier Selection, by PNG Telecommunications, Inc. d/b/a PowerNet Global Communications.

Critical Date(s): None

Commissioners Assigned: Full Commission Prehearing Officer: Administrative

Staff: CMP: M. Watts, Fondo

LEG: Christensen

<u>ISSUE 1</u>: Should PNG Telecommunications, Inc. d/b/a PowerNet Global Communications be relieved in this instance of the interexchange carrier selection requirements of Rule 25-4.118, Florida Administrative Code, Local, Local Toll, or Toll Provider Selection?

RECOMMENDATION: Yes.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: If the Commission approves staff's recommendation on Issue 1, then the Proposed Agency Action Order shall become final and effective upon the issuance of Consummating Order unless a person whose substantial interests are affected files a protest within 21 days of the issuance of this Order. If no timely protest to the Propose Agency Action is filed within 21 days of the date of issuance of the Order, this docket should be closed administratively upon issuance of the Consummating Order.

DECISION: The recommendations were approved.

ITEM NO. CASE

8 * *

Docket No. 011177-TP - Complaint of MCImetro Access Transmission Services LLC against Sprint-Florida, Incorporated for improper attempt to terminate interconnection agreement, request for interim relief, and request for expedited processing.

Critical Date(s): None

Commissioners Assigned: Full Commission

Prehearing Officer: Jacobs

Staff: CMP: Schultz

LEG: Christensen

ISSUE 1: Should the Commission acknowledge MCImetro's Notice of Voluntary Dismissal of its Complaint against Sprint?

RECOMMENDATION: Yes. The Commission should acknowledge

MCImetro's Notice of Voluntary Dismissal of its Complaint against Sprint.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes. Staff recommends that this docket should be closed because the issues have been resolved by th parties and no further action is required by the Commission in this docket.

DECISION: The recommendations were approved.

ITEM NO. CASE

9**

Docket No. 010665-TC - Cancellation by Florida Public Servic Commission of Pay Telephone Certificate No. 6030 issued to Mario Ramirez d/b/a ENTEL - Communications for violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.

Critical Date(s): None

Commissioners Assigned: Full Commission

Prehearing Officer: Deason

Staff: CMP: Isler LEG: Elliott

<u>ISSUE 1</u>: Should the Commission grant Mario Ramirez d/b/a ENTEL - Communications a voluntary cancellation of Pay Telephone Certificate No. 6030?

<u>RECOMMENDATION</u>: Yes. The Commission should grant the company a voluntary cancellation of its certificate with an effective date of March 8, 2001.

ISSUE 2: Should this docket be closed?

<u>RECOMMENDATION</u>: If the Commission approves staff's recommendation on Issue 1, this docket should be closed upon cancellation of the certificate as no other issues need to b addressed by the Commission.

DECISION: The recommendations were approved.

ITEM NO. CASE

10**PAA

Compliance investigations for apparent violation of Section 364.183(1), F.S., Access to Company Records.

Docket No. 011414-TX - Baytel Communications, Inc.

Docket No. 011415-TX - BlueStar Networks, Inc.

Docket No. 011420-TX - Broadband Digital Technologies, Inc.

Docket No. 011422-TX - Broadtier Communications, Inc.

Docket No. 011423-TX - Budget Comm

Docket No. 011426-TX - C2C Fiber of Florida, Inc.

Critical Date(s): None

Commissioners Assigned: Full Commission Prehearing Officer: Administrative

Staff: CMP: Fondo, M. Watts

LEG: Banks

ITEM NO. CASE

10**PAA

Compliance investigations for apparent violation of Section 364.183(1), F.S., Access to Company Records.

(Continued from previous page)

ISSUE 2: Should these dockets be closed?

RECOMMENDATION: The Order issued from this recommendation will become final 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. The dockets should then be closed upon receipt of the fines or cancellation of the certificates. A protest in one docket should not prevent the action in a separate docket from becoming final.

ITEM NO. CASE

11**PAA

Compliance investigations for apparent violation of Section 364.183(1), F.S., Access to Company Records.

Docket No. 011428-TX - CAT Communications International, Inc

Docket No. 011430-TX - Compact Data Systems, Inc.

Docket No. 011431-TX - ConnectSouth Communications of

Florida, Inc.

Docket No. 011438-TX - CoreComm Florida, Inc.

Docket No. 011441-TX - CTC Communications Corp.

Docket No. 011442-TX - Deland Actel, Inc. Docket No. 011443-TX - Delta Phones, Inc.

Critical Date(s): None

Commissioners Assigned: Full Commission Prehearing Officer: Administrative

Staff: CMP: Fondo, M. Watts

LEG: Christensen

ITEM NO. CASE

11**PAA

Compliance investigations for apparent violation of Section 364.183(1), F.S., Access to Company Records.

(Continued from previous page)

ISSUE 2: Should these dockets be closed?

RECOMMENDATION: The Order issued from this recommendation will become final 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. The dockets should then be closed upon receipt of the fines or cancellation of the certificates. A protest in one docket should not prevent the action in a separate docket from becoming final.

ITEM NO. CASE

12**PAA

Compliance investigations for apparent violation of Section 364.183(1), F.S., Access to Company Records.

Docket No. 011507-TX - Pinnacle Telcom, Inc.

Docket No. 011508-TX - PointeCom, Incorporated d/b/a Telscap Communications

Docket No. 011509-TX - Positive Investments, Inc.

Docket No. 011510-TX - Premiere Network Services, Inc.

Docket No. 011516-TX - Public Telephone Network, Inc.

Docket No. 011517-TX - Quality Telephone Inc.

Docket No. 011518-TX - Quantum Phone Communications, L.L.C.

Docket No. 011519-TX - Questel Corp.

Docket No. 011520-TX - Quick-Tel Communications, Inc.

Critical Date(s): None

Commissioners Assigned: Full Commission Prehearing Officer: Administrative

Staff: CMP: Fondo, M. Watts

LEG: Elliott

ITEM NO. CASE

12**PAA

Compliance investigations for apparent violation of Section 364.183(1), F.S., Access to Company Records.

(Continued from previous page)

ISSUE 2: Should these dockets be closed?

RECOMMENDATION: The Order issued from this recommendation will become final 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. The dockets should then be closed upon receipt of the fines or cancellation of the certificates. A protest in one docket should not prevent the action in a separate docket from becoming final.

ITEM NO. CASE

13**PAA

Compliance investigations for apparent violation of Section 364.183(1), F.S., Access to Company Records.

Docket No. 011574-TX - XSPEDIUS Corp.

Docket No. 011575-TX - Yipes Transmission, Inc.

Docket No. 011576-TX - Zephion Networks Communications, Inc.

Critical Date(s): None

Commissioners Assigned: Full Commission Prehearing Officer: Administrative

Staff: CMP: Fondo, M. Watts

LEG: Elliott

ISSUE 1: Should the Commission fine each of the companies listed in Attachment A of staff's December 5, 2001 memorandu \$5,000 or cancel each company's respective certificate, as listed in Attachment A, for apparent failure to provide the Commission access to information pursuant to Section 364.183(1), Florida Statutes, Access to Company Records? RECOMMENDATION: Yes. The Commission should fine each of the companies listed in Attachment A \$5,000 or cancel each company's respective certificate, as listed in Attachment A, if the fine is not received by the Commission within five business days after the issuance of the Consummating Order. The fine should be paid to the Florida Public Service Commission and forwarded to the Office of the Comptroller fo deposit in the General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. If the Commission's Order is not protested and the fine is not received within five business days after the issuance of the Consummating Order, then each company's respective certificate should be cancele administratively.

ISSUE 2: Should these dockets be closed?

RECOMMENDATION: The Order issued from this recommendation will become final upon issuance of a Consummating Order unless a person whose substantial interests are affected by

ITEM NO. CASE

13**PAA

Compliance investigations for apparent violation of Section 364.183(1), F.S., Access to Company Records.

(Continued from previous page)

the Commission's decision files a protest within 21 days of the issuance of the Proposed Agency Action Order. The dockets should then be closed upon receipt of the fines or cancellation of the certificates. A protest in one docket should not prevent the action in a separate docket from becoming final.

ITEM NO. CASE

14**PAA

Compliance investigations for apparent violation of Section 364.183(1), F.S., Access to Company Records.

Docket No. 011473-TX - Express Phone Service, Inc.

Docket No. 011532-TX - Strategic Technologies, Inc.

Docket No. 011534-TX - Sun-Tel USA, Inc.

Docket No. 011536-TX - Tallahassee Telephone Exchange, Inc.

Docket No. 011537-TX - Tel-Phone Communications, Inc.

Docket No. 011538-TX - Telebeeper, Inc. d/b/a Oscatel

Communications

Docket No. 011539-TX - Telecare, Inc. d/b/a Caretele, Inc.

Docket No. 011540-TX - Telephone One Inc.

Docket No. 011545-TX - Telephone Systems of Georgia, Inc.

Critical Date(s): None

Commissioners Assigned: Full Commission Prehearing Officer: Administrative

Staff: CMP: Fondo, M. Watts

LEG: L. Fordham

ITEM NO. CASE

14**PAA

Compliance investigations for apparent violation of Section 364.183(1), F.S., Access to Company Records.

(Continued from previous page)

ISSUE 2: Should these dockets be closed?

RECOMMENDATION: The Order issued from this recommendation will become final 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. The dockets should then be closed upon receipt of the fines or cancellation of the certificates. A protest in one docket should not prevent the action in a separate docket from becoming final.

ITEM NO. CASE

15**PAA

Compliance investigations for apparent violation of Section 364.183(1), F.S., Access to Company Records.

Docket No. 011444-TX - DialTek, LLC d/b/a DTK

Telecommunications, LLC

Docket No. 011446-TX - DLC Enterprises, Inc. d/b/a Direct Link Communications, Inc.

Docket No. 011447-TX - Easy Phone, Inc. d/b/a Easy Tel, Inc.

Docket No. 011448-TX - EasyComm Corporation

Docket No. 011449-TX - Edge Connections, Inc.

Docket No. 011469-TX - ElectroNet Intermedia Consulting, Inc

Docket No. 011470-TX - Electronic Technical Services (E.T.S.

Docket No. 011471-TX - ET Telephone, Inc.

Docket No. 011472-TX - Eureka Telecom, L.L.C.

Critical Date(s): None

Commissioners Assigned: Full Commission Prehearing Officer: Administrative

Staff: CMP: Fondo, M. Watts

LEG: Fordham

ITEM NO. CASE

15**PAA

Compliance investigations for apparent violation of Section 364.183(1), F.S., Access to Company Records.

(Continued from previous page)

ISSUE 2: Should these dockets be closed?

RECOMMENDATION: The Order issued from this recommendation will become final 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. The dockets should then be closed upon receipt of the fines or cancellation of the certificates. A protest in one docket should not prevent the action in a separate docket from becoming final.

ITEM NO. CASE

16**PAA

Compliance investigations for apparent violation of Section 364.183(1), F.S., Access to Company Records.

Docket No. 011568-TX - Vision Prepaid Services, Inc.

Docket No. 011569-TX - VortalConnect.COM, Inc.

Docket No. 011570-TX - WaKuL, Inc.

Docket No. 011571-TX - WAMnet Communications Inc.

Docket No. 011572-TX - WinStar Wireless, Inc.

Docket No. 011573-TX - Wireless Access Network, Inc.

Docket No. 011577-TX - WorkNet Communications Inc.

Docket No. 011578-TX - Worldwide Internet Services, Inc.

Critical Date(s): None

Commissioners Assigned: Full Commission Prehearing Officer: Administrative

Staff: CMP: Fondo, M. Watts

LEG: Fudge

ITEM NO. CASE

16**PAA

Compliance investigations for apparent violation of Section 364.183(1), F.S., Access to Company Records.

(Continued from previous page)

ISSUE 2: Should these dockets be closed?

RECOMMENDATION: The Order issued from this recommendation will become final 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. The dockets should then be closed upon receipt of the fines or cancellation of the certificates. A protest in one docket should not prevent the action in a separate docket from becoming final.

ITEM NO. CASE

17**PAA

Compliance investigations for apparent violation of Section 364.183(1), F.S., Access to Company Records.

Docket No. 011456-TX - Gulf Coast Communications, Inc.

Docket No. 011474-TX - Florida City-Link Communications, Inc

Docket No. 011475-TX - Florida Phone Systems, Inc.

Docket No. 011476-TX - Fuzion Wireless Communications Inc.

Docket No. 011478-TX - Global Broadband, Inc.

Docket No. 011479-TX - Global NAPS, Inc.

Docket No. 011480-TX - Global Telelink Services, Inc.

Critical Date(s): None

Commissioners Assigned: Full Commission Prehearing Officer: Administrative

Staff: CMP: Fondo, M. Watts

LEG: Fudge

ITEM NO. CASE

17**PAA

Compliance investigations for apparent violation of Section 364.183(1), F.S., Access to Company Records.

(Continued from previous page)

ISSUE 2: Should these dockets be closed?

RECOMMENDATION: The Order issued from this recommendation will become final 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. The dockets should then be closed upon receipt of the fines or cancellation of the certificates. A protest in one docket should not prevent the action in a separate docket from becoming final.

ITEM NO. CASE

18**PAA

Compliance investigations for apparent violation of Section 364.183(1), F.S., Access to Company Records.

Docket No. 011483-TX - KingTel, Inc.

Docket No. 011484-TX - Legends Communications, Inc.

Docket No. 011485-TX - Madison River Communications, LLC

Docket No. 011486-TX - Max-Tel Communications, Inc. d/b/a

Florida's Max-Tel Communications, Inc.

Docket No. 011488-TX - MET Communications, Inc.

Docket No. 011489-TX - Metro FiberLink, Inc.

Docket No. 011490-TX - Metstream Communications, Inc.

Docket No. 011491-TX - Miracle Communications

Docket No. 011492-TX - Mpower Communications Corp.

Critical Date(s): None

Commissioners Assigned: Full Commission Prehearing Officer: Administrative

Staff: CMP: Fondo, M. Watts

LEG: Helton

ITEM NO. CASE

18**PAA

Compliance investigations for apparent violation of Section 364.183(1), F.S., Access to Company Records.

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ISSUE 2: Should these dockets be closed?

RECOMMENDATION: The Order issued from this recommendation will become final 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. The dockets should then be closed upon receipt of the fines or cancellation of the certificates. A protest in one docket should not prevent the action in a separate docket from becoming final.

ITEM NO. CASE

19**PAA

Compliance investigations for apparent violation of Section 364.183(1), F.S., Access to Company Records.

Docket No. 011493-TX - Net One International, Inc.

Docket No. 011494-TX - Network Plus, Inc. d/b/a Hale and Father, Inc.

Docket No. 011499-TX - New Access Communications LLC

Docket No. 011501-TX - Novus Communications, Inc.

Docket No. 011502-TX - Ntegrity Telecontent Services Inc.

Docket No. 011503-TX - Ocius Communications, Inc.

Docket No. 011504-TX - Oltronics, Inc.

Docket No. 011505-TX - PatriotCom Inc.

Docket No. 011535-TX - Suntel Metro, Inc.

Critical Date(s): None

Commissioners Assigned: Full Commission Prehearing Officer: Administrative

Staff: CMP: Fondo, M. Watts

LEG: B. Keating

ITEM NO. CASE

19**PAA

Compliance investigations for apparent violation of Section 364.183(1), F.S., Access to Company Records.

(Continued from previous page)

ISSUE 2: Should these dockets be closed?

RECOMMENDATION: The Order issued from this recommendation will become final 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. The dockets should then be closed upon receipt of the fines or cancellation of the certificates. A protest in one docket should not prevent the action in a separate docket from becoming final.

ITEM NO. CASE

20**PAA

Compliance investigations for apparent violation of Section 364.183(1), F.S., Access to Company Records.

Docket No. 011521-TX - ReFlex Communications, Inc,

Docket No. 011522-TX - Rebound Enterprises, Inc. d/b/a REI Communications

Docket No. 011523-TX - Resort Hospitality Services, Ltd.

Docket No. 011524-TX - S.F.M.&T., Inc.

Docket No. 011525-TX - Sandhills Telecommunications Group, Inc.

Docket No. 011526-TX - Seven Bridges Communications, L.L.C.

Docket No. 011527-TX - Soapstone Telecom LLC

Docket No. 011529-TX - Southern Telcom Network, Inc.

Docket No. 011530-TX - SouthNet Telecomm Services, Inc.

Docket No. 011531-TX - Speedy Reconnect, Inc.

Critical Date(s): None

Commissioners Assigned: Full Commission Prehearing Officer: Administrative

Staff: CMP: Fondo, M. Watts

LEG: Knight

ITEM NO. CASE

20**PAA

Compliance investigations for apparent violation of Section 364.183(1), F.S., Access to Company Records.

(Continued from previous page)

then each company's respective certificate should be cancele administratively.

ISSUE 2: Should these dockets be closed?

RECOMMENDATION: The Order issued from this recommendation will become final 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. The dockets should then be closed upon receipt of the fines or cancellation of the certificates. A protest in one docket should not prevent the action in a separate docket from becoming final.

ITEM NO. CASE

21**PAA

Compliance investigations for apparent violation of Section 364.183(1), F.S., Access to Company Records.

Docket No. 011404-TX - U S WEST !nterprise America, Inc. d/b/a !nterprise America, Inc.

Docket No. 011405-TX - 2nd Century Communications, Inc.

Docket No. 011406-TX - A 1 Mobile Tech, Inc.

Docket No. 011407-TX - AccuTel of Texas, Inc.

Docket No. 011408-TX - Actel Integrated Communications, Inc.

Docket No. 011410-TX - American Fiber Network, Inc.

Docket No. 011411-TX - APPLIANCE & TV RENTALS, INC. d/b/a

Fones-4-U

Docket No. 011412-TX - Axsys, Inc. de/b/a Axsys, Inc./Tel Ptns.

Docket No. 011413-TX - Basic Phone, Inc.

Critical Date(s): None

Commissioners Assigned: Full Commission Prehearing Officer: Administrative

Staff: CMP: Fondo, M. Watts

LEG: Knight

ITEM NO. CASE

21**PAA

Compliance investigations for apparent violation of Section 364.183(1), F.S., Access to Company Records.

(Continued from previous page)

then each company's respective certificate should be cancele administratively.

ISSUE 2: Should these dockets be closed?

RECOMMENDATION: The Order issued from this recommendation will become final 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. The dockets should then be closed upon receipt of the fines or cancellation of the certificates. A protest in one docket should not prevent the action in a separate docket from becoming final.

DECISION: This item was withdrawn.

ITEM NO. CASE

22**PAA

Compliance investigations for apparent violation of Section 364.183(1), F.S., Access to Company Records.

Docket No. 011546-TX - Tower Communications, Inc. d/b/a United Southern Telecom

Docket No. 011547-TX - Tristar Communications

Docket No. 011549-TX - Twenty Eight Red, Inc. d/b/a Cash America

Docket No. 011550-TX - U.S. Dial Tone, Inc.

Docket No. 011552-TX - United States Telecommunications, Inc d/b/a Tel Com Plus

Docket No. 011553-TX - US LEC of Florida Inc.

Docket No. 011554-TX - USA Digital, Inc.

Docket No. 011555-TX - USA Quick Phone, Inc.

Docket No. 011589-TX - Telera Communications, Inc.

Critical Date(s): None

Commissioners Assigned: Full Commission Prehearing Officer: Administrative

Staff: CMP: Fondo, M. Watts

LEG: Teitzman

ISSUE 1: Should the Commission fine each of the companies listed in Attachment A of staff's December 5, 2001 memorandu \$5,000 or cancel each company's respective certificate, as listed in Attachment A, for apparent failure to provide the Commission access to information pursuant to Section 364.183(1), Florida Statutes, Access to Company Records? RECOMMENDATION: Yes. The Commission should fine each of the companies listed in Attachment A \$5,000 or cancel each company's respective certificate, as listed in Attachment A, if the fine is not received by the Commission within five business days after the issuance of the Consummating Order. The fine should be paid to the Florida Public Service Commission and forwarded to the Office of the Comptroller fo deposit in the General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. If the Commission's Order is not protested and the fine is not received within five business days after the issuance of the Consummating Order,

ITEM NO. CASE

22**PAA

Compliance investigations for apparent violation of Section 364.183(1), F.S., Access to Company Records.

(Continued from previous page)

then each company's respective certificate should be cancele administratively.

ISSUE 2: Should these dockets be closed?

RECOMMENDATION: The Order issued from this recommendation will become final 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. The dockets should then be closed upon receipt of the fines or cancellation of the certificates. A protest in one docket should not prevent the action in a separate docket from becoming final.

DECISION: This item was withdrawn.

ITEM NO. CASE

23**PAA

Compliance investigations for apparent violation of Section 364.183(1), F.S., Access to Company Records.

Docket No. 011458-TX - IDS Telcom LLC

Docket No. 011459-TX - International Exchange Communications

Inc. d/b/a IE Com

Docket No. 011461-TX - Intelligence Network Online, Inc.

Docket No. 011462-TX - Interloop, Inc.

Docket No. 011463-TX - IPVoice Communications, Inc.

Docket No. 011464-TX - ITS Telecommunications Systems, Inc.

Docket No. 011465-TX - JATO Operating Two Corp.

Docket No. 011466-TX - Kenarl Inc. d/b/a Lake Wellington

Professional Centre

Docket No. 011467-TX - Kernan Associates, Ltd. d/b/a St.

Johns Estates

Critical Date(s): None

Commissioners Assigned: Full Commission Prehearing Officer: Administrative

Staff: CMP: Fondo, M. Watts

LEG: Teitzman

ISSUE 1: Should the Commission fine each of the companies listed in Attachment A of staff's December 5, 2001 memorandu \$5,000 or cancel each company's respective certificate, as listed in Attachment A, for apparent failure to provide the Commission access to information pursuant to Section 364.183(1), Florida Statutes, Access to Company Records? RECOMMENDATION: Yes. The Commission should fine each of the companies listed in Attachment A \$5,000 or cancel each company's respective certificate, as listed in Attachment A, if the fine is not received by the Commission within five business days after the issuance of the Consummating Order. The fine should be paid to the Florida Public Service Commission and forwarded to the Office of the Comptroller fo deposit in the General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. If the Commission's Order is not protested and the fine is not received within five business days after the issuance of the Consummating Order,

ITEM NO. CASE

23**PAA

Compliance investigations for apparent violation of Section 364.183(1), F.S., Access to Company Records.

(Continued from previous page)

then each company's respective certificate should be cancele administratively.

ISSUE 2: Should these dockets be closed?

RECOMMENDATION: The Order issued from this recommendation will become final 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. The dockets should then be closed upon receipt of the fines or cancellation of the certificates. A protest in one docket should not prevent the action in a separate docket from becoming final.

DECISION: This item was withdrawn.

ITEM NO. CASE

24**PAA

Docket No. 981246-EI - Petition by Florida Power & Light Company for approval of annual accrual for Turkey Point and St. Lucie nuclear decommissioning unit costs.

Docket No. 001835-EI - Petition for approval of revised annual accrual for nuclear decommissioning costs by Florida Power Corporation.

Docket No. 990324-EI - Disposition of Florida Power & Light Company's accumulated amortization pursuant to Order PSC-96-0461-FOF-EI.

Docket No. 991931-EI - Determination of appropriate method o recovery for the last core of nuclear fuel for Florida Power & Light Company and Florida Power Corporation.

Critical Date(s): None

Commissioners Assigned: Full Commission Prehearing Officer: Jaber (981246)

Prehearing Officer: Deason (001835, 990324)

Prehearing Officer: Jacobs (991931)

Staff: ECR: P. Lee, Gardner, Meeks, Maurey, McCaskill,

Stallcup, Hewitt, Slemkewicz, Mailhot

LEG: Elias, C. Keating

PAT: Lewis

SER: Bohrmann, Colson, D. Lee

ISSUE 1: Should the currently approved annual nuclear decommissioning accruals for Florida Power & Light Company (FPL) and Florida Power Corporation (FPC) be revised?

RECOMMENDATION: Yes. A review of FPL's and FPC's site specific decommissioning cost studies indicate that currentl prescribed annual accrual levels should be revised to recognize developments and changes impacting decommissioning cost estimates. Such changes consider factors including additional information, improvements in technology, and regulatory changes that have transpired since the 1994 studies.

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Docket No. 981246-EI - Petition by Florida Power & Light Company for approval of annual accrual for Turkey Point and St. Lucie nuclear decommissioning unit costs.

Docket No. 001835-EI - Petition for approval of revised annual accrual for nuclear decommissioning costs by Florida Power Corporation.

Docket No. 990324-EI - Disposition of Florida Power & Light Company's accumulated amortization pursuant to Order PSC-96-0461-FOF-EI.

Docket No. 991931-EI - Determination of appropriate method of recovery for the last core of nuclear fuel for Florida Power & Light Company and Florida Power Corporation.

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Staff believes that disposition of this issue will satisfy the IRS requirements regarding projected dates each nuclear unit will no longer be included in rate base for ratemaking purposes and the methodologies to be utilized by FPL and FPC to decommission their nuclear units.

<u>ISSUE 2</u>: Should a contingency allowance be applied to the estimated cost of decommissioning, and if so, what should th percentage be?

RECOMMENDATION: Yes. A contingency allowance should be applied to the costs of decommissioning nuclear units. The weighted average contingency factors listed below for each o the five nuclear units are reasonable and should be approved

FPC:

CR3 17.22%

FPL:

TP3 19.59% TP4 19.39% SL1 20.51% SL2 20.79%

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Docket No. 981246-EI - Petition by Florida Power & Light Company for approval of annual accrual for Turkey Point and St. Lucie nuclear decommissioning unit costs.

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Docket No. 991931-EI - Determination of appropriate method of recovery for the last core of nuclear fuel for Florida Power & Light Company and Florida Power Corporation.

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ISSUE 3: Should the total estimated cost of nuclear decommissioning include a provision for on-site storage of spent fuel beyond the termination of the operating licenses of each nuclear unit?

RECOMMENDATION: Yes. It is prudent for the total estimated costs of nuclear decommissioning to include the costs for interim storage of spent fuel incurred after the retirement of each nuclear unit. However, these amounts should continu to be reviewed in subsequent decommissioning studies to determine the prudence of their inclusion.

ISSUE 4: What is the appropriate annual accrual in equal dollar amounts necessary to recover future decommissioning costs over the remaining life of each nuclear power plant fo Florida Power & Light Company and Florida Power Corporation? RECOMMENDATION: The appropriate jurisdictional annual accrual amounts necessary to recover future decommissioning costs over the remaining life of each nuclear power plant are:

		Recommended Annual Accrual
FPL:		
	TP3	\$21,815,173
	TP4	25,220,424
	SL1	18,683,743
	SL2	12,797,597
	Total	<u>\$78,516,937</u>

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Docket No. 981246-EI - Petition by Florida Power & Light Company for approval of annual accrual for Turkey Point and St. Lucie nuclear decommissioning unit costs.

Docket No. 001835-EI - Petition for approval of revised annual accrual for nuclear decommissioning costs by Florida Power Corporation.

Docket No. 990324-EI - Disposition of Florida Power & Light Company's accumulated amortization pursuant to Order PSC-96-0461-FOF-EI.

Docket No. 991931-EI - Determination of appropriate method of recovery for the last core of nuclear fuel for Florida Power & Light Company and Florida Power Corporation.

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FPC:

CR3 <u>\$18,144,708</u> \$18,442,980

For FPL, staff's recommended total accrual amount represents a decrease of \$0.8 million compared to the total amount indicated in FPL's study and a decrease of \$5.5 million compared to the total amount approved in Order No. PSC-95-1531-FOF-EI (Order No. 95-1531), which established FPL's current nuclear decommissioning accrual levels. For FPC, staff's recommended amount represents an increase of \$9.5 \$9.8 million over the amount requested in FPC's study and a decrease of \$2.4 \$2.1 million compared to the amount approve in Order No. 95-1531.

Staff believes that disposition of this issue will satisfy the IRS requirements regarding the current and futur cost to decommission each nuclear unit, the years in which the accumulated decommissioning funds will be expended, the escalation rates, the assumed fund earnings rate, and the annual accrual amounts.

ISSUE 5: Should the unrecovered value of Materials and Supplies inventories that will exist at the nuclear site following shut down be recovered through an unfunded reserve RECOMMENDATION: Yes. The unrecovered value of Materials an Supplies (M&S) inventories existing at the nuclear site following permanent shut down should be amortized over the remaining life span of each nuclear site. The resulting

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Docket No. 981246-EI - Petition by Florida Power & Light Company for approval of annual accrual for Turkey Point and St. Lucie nuclear decommissioning unit costs.

Docket No. 001835-EI - Petition for approval of revised approal accrual for nuclear decommissioning costs by Florida.

Docket No. 001835-EI - Petition for approval of revised annual accrual for nuclear decommissioning costs by Florida Power Corporation.

Docket No. 990324-EI - Disposition of Florida Power & Light Company's accumulated amortization pursuant to Order PSC-96-0461-FOF-EI.

Docket No. 991931-EI - Determination of appropriate method of recovery for the last core of nuclear fuel for Florida Power & Light Company and Florida Power Corporation.

jurisdictional annual expense is \$1.7 million for TP, \$0.7

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million for SL, and \$1.5 million for CR3. The accounting treatment for these expenses should consist of a debit to nuclear maintenance expense with a credit to an unfunded Account 228 reserve. Further, the amortization of EOL M&S inventories should be included in subsequent decommissioning studies so the related annual accruals can be revised, if warranted. Moreover, in the event of industry restructuring treatment of these established unfunded reserves should follow the same treatment afforded nuclear decommissioning. ISSUE 6: What is the appropriate recovery mechanism for the cost of the last core of nuclear fuel? RECOMMENDATION: The existence of the last core of nuclear fuel (Last Core) is the direct result of unit shut down, and there are numerous uncertainties surrounding the timing of unit shut down, actual costs associated with the Last Core, and future regulatory environment. Therefore, staff recommends that the associated costs be considered a base rate future obligation with recovery afforded through an established unfunded reserve. The recommended accounting treatment consists of a debit to base rate fuel expense with a credit to an unfunded Account 228 reserve. The resulting annual jurisdictional expenses for FPL are about \$5.5 million; for FPC, the resulting annual jurisdictional expenses are \$1.1 million. Additionally, FPL and FPC should address the costs associated with the Last Core in subsequen decommissioning studies so the related annual accruals can b

ITEM NO. CASE

24**PAA

Docket No. 981246-EI - Petition by Florida Power & Light Company for approval of annual accrual for Turkey Point and St. Lucie nuclear decommissioning unit costs.

Docket No. 001835-EI - Petition for approval of revised

Docket No. 001835-EI - Petition for approval of revised annual accrual for nuclear decommissioning costs by Florida Power Corporation.

Docket No. 990324-EI - Disposition of Florida Power & Light Company's accumulated amortization pursuant to Order PSC-96-0461-FOF-EI.

Docket No. 991931-EI - Determination of appropriate method of recovery for the last core of nuclear fuel for Florida Power & Light Company and Florida Power Corporation.

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revised, if warranted. Further, in the event of industry restructuring, treatment of the Last Core unfunded reserve should follow the same treatment afforded nuclear decommissioning.

ISSUE 7: What is the appropriate disposition of the accumulated balance of nuclear amortization? **RECOMMENDATION:** Staff recommends that the \$98,666,667 million of nuclear amortization accumulated from January 1, 1996 through April 13, 1999, the day prior to the Implementation Date of the Stipulation, be transferred to a regulatory liability account and amortized over the remainin life of the nuclear units. The unamortized amount of the regulatory liability will be included in working capital as reduction to rate base. The amortization expense will be recorded as a credit to Account 407.4, Regulatory Credits. The resulting annual jurisdictional amortization expense is about \$6.9 million. Further, in the event of industry restructuring, treatment of the Last Core unfunded reserve should follow the same treatment afforded nuclear decommissioning.

ISSUE 8: What should be the effective date for adjusting th annual decommissioning accrual amounts, amortization of nuclear EOL M&S inventories, and amortization of the costs associated with the Last Core?

<u>RECOMMENDATION</u>: The effective date for revised decommissioning accruals, amortization of nuclear EOL M&S inventories, and amortization of the costs associated with

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Docket No. 981246-EI - Petition by Florida Power & Light Company for approval of annual accrual for Turkey Point and St. Lucie nuclear decommissioning unit costs.

Docket No. 001835-EI - Petition for approval of revised annual accrual for nuclear decommissioning costs by Florida Power Corporation.

Docket No. 990324-EI - Disposition of Florida Power & Light Company's accumulated amortization pursuant to Order PSC-96-0461-FOF-EI.

Docket No. 991931-EI - Determination of appropriate method of recovery for the last core of nuclear fuel for Florida Power & Light Company and Florida Power Corporation.

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the Last Core as shown below should be January 1, 2001 for FPC; the effective date for FPL should be May 1, 2002, when its governing Stipulation ends. Additionally, the effective date for FPL to begin the amortization of the nuclear regulatory liability discussed in Issue 7 should be May 1, 2002. Further, contributions to the decommissioning trust funds should be made on a monthly basis.

	(Million)	
FPL:		
Nuclear decommissioning accruals Amortization of EOL M&S Amortization of Last Core Total	\$78.5 (Issue 4) 2.4 (Issue 5) 5.5 (Issue 6) 86.4	
Less		
Amortization of nuclear regulatory liability Total expense	(6.9) (Issue 7) 79.5	
FPC:		
Nuclear decommissioning accruals	\$18.1 (Issue 4) \$18.4 (Issue 4)	
Amortization of EOL M&S	1.5 (Issue 5)	
Amortization of Last Core	<u> 1.1</u> (Issue 6)	
Total expense	$\frac{20.7}{21.0}$	

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Docket No. 981246-EI - Petition by Florida Power & Light Company for approval of annual accrual for Turkey Point and St. Lucie nuclear decommissioning unit costs.

Docket No. 001835-EI - Petition for approval of revised annual accrual for nuclear decommissioning costs by Florida Power Corporation.

Docket No. 990324-EI - Disposition of Florida Power & Light Company's accumulated amortization pursuant to Order PSC-96-0461-FOF-EI.

Docket No. 991931-EI - Determination of appropriate method of recovery for the last core of nuclear fuel for Florida Power & Light Company and Florida Power Corporation.

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<u>ISSUE 9</u>: When should FPL and FPC file their next nuclear decommissioning studies?

RECOMMENDATION: The next decommissioning cost studies for FPL and FPC should be filed no later than January 1, 2006 an December 29, 2005, respectively, in accordance with Rule 25-6.04365, Florida Administrative Code. The studies should include an update of the amortizations of EOL M&S inventorie and the Last Core.

ISSUE 10: Should these dockets be closed?

RECOMMENDATION: If no person whose substantial interests ar affected by the proposed agency action files a protest withi 21 days of the issuance of the order, these dockets should b closed upon the issuance of a consummating order.

<u>DECISION</u>: Staff's recommendation concerning Florida Power & Light Company was approved. In Issue 4 for Florida Power Corporation, the base accrual on projected earnings level will be 6%, with the company to justify if the rate is the higher of the inflation rate or 4.7%. Florida Power Corporation will file an earnings report December 31, 2003, with the understanding that the Public Service Commission may or may not take action based on the report. Staff will make fall-out adjustments to the other issues as necessary based on the decision in Issue 4.

ITEM NO. CASE

25**PAA

Docket No. 011595-GU - Request for depreciation rates for ne accounts, by Indiantown Gas Company.

Critical Date(s): None

Commissioners Assigned: Full Commission Prehearing Officer: Administrative

Staff: ECR: P. Lee LEG: Dodson

ISSUE 1: Should depreciation rates be prescribed for two ne accounts for Indiantown Gas Company, Inc.?

RECOMMENDATION: Yes. In accord with Rule 25-7.045 (2)(b), Florida Administrative Code, depreciation rates as shown below should be prescribed for the two new accounts established for Structures (Account 390) and Transportation (Account 392).

Account	Average Service Life	Net Salvage	Depreciation Rate
	(Yrs.)	(%)	(%)
390 - Structures	31	0	3.2
392 - Transportation	6	10	15.0

<u>ISSUE 2</u>: What is the implementation date for the new depreciation rates?

<u>RECOMMENDATION</u>: Staff recommends an effective date of January 1, 2001 for the new depreciation rates.

ISSUE 3: Should this docket be closed?

RECOMMENDATION: If no person whose substantial interests ar affected by the proposed agency action files a protest withi 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order.

DECISION: The recommendations were approved.

ITEM NO. CASE

26

Docket No. 010006-WS - Water and wastewater industry annual reestablishment of authorized range of return on common equity of water and wastewater utilities pursuant to Section 367.081(4)(f), F.S.

Critical Date(s): 12/31/01 (Order must be issued by this date.)

Commissioners Assigned: Full Commission

Prehearing Officer: Palecki

Staff: ECR: D. Draper LEG: Jaeger

ISSUE 1: What is the most appropriate model or method to estimate a fair and reasonable return on a water and wastewater utility's common equity capital? RECOMMENDATION: With the adjustments set forth in Issue 4, the existing methodology for determining the ROE leverage formula is appropriate. Based on the record in this proceeding the most appropriate models to estimate a fair an reasonable ROE for a water and wastewater utility for inclusion in the leverage formula is the Discounted Cash Flo model (DCF) and the Capital Asset Pricing Model (CAPM). ISSUE 2: Should the Commission, as a matter of law or policy, establish a leverage formula that systematically results in an allowed equity return that is either higher or lower than the actual measured cost of equity for an average water and wastewater utility at the corresponding equity? RECOMMENDATION: No. Staff believes it is appropriate for the Commission to base its decision on the evidence containe in the record.

ISSUE 3: Is there justification for utilizing a leverage formula methodology that yields a lower return on equity for water and wastewater utilities as compared to other ratebased regulated industries in Florida and elsewhere?

RECOMMENDATION: Pursuant to Section 367.081(4)(f), Florida Statutes, the Commission must establish a leverage formula which reasonably reflects the "range of returns on common equity for an average water or wastewater utility." Staff believes that using the methodologies in Issue 1, and allowing for placement costs and a risk premium to account

ITEM NO. CASE

26

Docket No. 010006-WS - Water and wastewater industry annual reestablishment of authorized range of return on common equity of water and wastewater utilities pursuant to Section 367.081(4)(f), F.S.

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for the small size and the additional risk of the average water and wastewater utility, results in a leverage formula appropriate for an average water and wastewater utility.

ISSUE 4: What is the appropriate range of returns on common equity for water and wastewater utilities pursuant to Sectio 367.081(4)(f), Florida Statues?

RECOMMENDATION: Staff recommends the following return on

RECOMMENDATION: Staff recommends the following return on
equity:

Return on Common Equity = 9.10% + 0.896/Equity Ratio

Where the Equity Ratio = Common Equity / (Common Equity + Preferred Equity + Long-Term and Short-Term Debt)

Range: 10.00% @ 100% equity to 11.34% @ 40% equity

Based on its analysis of this issue and a review of the witnesses' testimonies and exhibits, staff recommends the following:

- 1. The Commission should use a two-stage annual DCF model applied to an index of natural gas distribution utilities, using forecasted expected dividend growth rates for the first stage and the retention earnings method for the second stage.
- 2. The Commission should use the CAPM for an index of natural gas distribution utilities, using an average beta, derived from <u>Value Line</u>, and a market risk premium calculated by a simple DCF model using an average of forecasted dividend and earnings growth rate.
- 3. The Commission should make a 20-basis point adjustment to each model to adjust for flotation cost

ITEM NO. CASE

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Docket No. 010006-WS - Water and wastewater industry annual reestablishment of authorized range of return on common equity of water and wastewater utilities pursuant to Section 367.081(4)(f), F.S.

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allowance. In addition, a 10-basis point adjustment made to the CAPM to adjust for quarterly compounded results.

- 4. The Commission should make the following adjustments to the average of the two models: a bond yield differential adjustment, a private placement premium of 50-basis points and a small-utility risk premium of 50-basis points.
- 5. The Commission should allow the indicated range of ROE in the leverage formula for a WAW utility to range from 40% equity to 100% equity. In addition, it has been Commission practice to include an adjustment to reflect the required equity return at a 40% equity ratio.

ISSUE 5: Should this docket be closed?

RECOMMENDATION: No. Pursuant to Stipulation No. 1, this docket should remain open to allow staff to monitor the movement in capital costs and to readdress the reasonablenes of the leverage formula as conditions warrant.

DECISION: The recommendations were approved.

ITEM NO. CASE

27**

Docket No. 010816-WS - Initiation of show cause proceedings against Floridana Homeowners, Inc., in Manatee County for violation of Rule 25-30.110(3), F.A.C., Annual Reports.

Critical Date(s): None

Commissioners Assigned: Full Commission

Prehearing Officer: Baez

Staff: LEG: Espinoza

ECR: Peacock

ISSUE 1: Should Floridana be ordered to show cause, in writing, within 21 days, why it should not be fined for failure to file its 1995 and 1996 annual reports in apparent violation of Rule 25-30.110(3), Florida Administrative Code? RECOMMENDATION: No. Show cause proceedings should not be initiated at this time. Staff further recommends that the penalties set forth in Rule 25-30.110(7), Florida Administrative Code, should not be assessed, as the information contained in the delinquent reports is no longer needed for the ongoing regulation of the utility. In addition, Floridana should not be required to file the 1995 and 1996 annual reports.

ISSUE 2: Should this docket be closed?
RECOMMENDATION: Yes. Because no further action is necessary, this docket should be closed.

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

ITEM NO. CASE

28**PAA

Docket No. 011271-TI - Application for certificate to provid interexchange telecommunications service by $\mathtt{A}+$

Communications, Inc.

Docket No. 011382-TX - Application for certificate to provid alternative local exchange telecommunications service by A+ Communications, Inc.

Critical Date(s): None

Commissioners Assigned: Full Commission Prehearing Officer: Administrative

Staff: RGO: Pruitt LEG: Elliott

ISSUE 1: Should the Commission grant A+ Communications, Inc certificates to provide interexchange telecommunications service and alternative local exchange telecommunications service within the State of Florida as provided by Section 364.337, Florida Statutes?

RECOMMENDATION: No. A+ Communications, Inc. should not be

granted an interexchange telecommunications service certificate nor an alternative local exchange telecommunications service certificate to operate in Florida ISSUE 2: Should these dockets be closed?

RECOMMENDATION: Yes. These dockets should be closed upon the issuance of a Consummating Order unless a person whose

substantial interests are affected by the Commission's proposed agency action files a written protest within 21 day of the issuance date of the proposed agency action.

DECISION: The recommendations were approved.

ITEM NO. CASE

29**PAA

Docket No. 000890-TI - Request for cancellation of Interexchange Telecommunications Certificate No. 3990 by Thrifty Call, Inc., effective 7/10/00.

Critical Date(s): None

Commissioners Assigned: Full Commission Prehearing Officer: Administrative

Staff: RGO: Hawkins LEG: Banks

ISSUE 1: Should Thrifty Call's request to cancel its IXC
certificate be granted?

<u>RECOMMENDATION</u>: Yes. The Commission should grant Thrifty Call's request to cancel its Interexchange Telecommunication Certificate No. 3990, effective 7/10/00.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes. If no person whose substantial interests are affected files a protest within 21 days of the issuance date of the Order, the Order will become final upon the issuance of a Consummating Order and the docket should b closed.

DECISION: The recommendations were approved.

ITEM NO. CASE

30**PAA

Docket No. 011400-TI - Petition by MCI WorldCom Communications, Inc. for waiver of Rule 25-4.118, F.A.C., Interexchange Carrier Selection, for transfer of customer base of Intermedia Communications, Inc. to MCI WorldCom Communications, Inc.

Critical Date(s): None

Commissioners Assigned: Full Commission Prehearing Officer: Administrative

Staff: RGO: McCoy LEG: Elliott

<u>ISSUE 1</u>: Should MCI WorldCom be relieved in this instance of the interexchange carrier selection requirements of Rule 25-4.118, Florida Administrative Code?

RECOMMENDATION: Yes.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: 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.

DECISION: The recommendations were approved.

ITEM NO. CASE

31**

Docket No. 010986-WS - Notice of sale of assets of Regency Utilities, Inc. in Duval County to Jacksonville Electric Authority, and request for cancellation of Certificate Nos. 197-W and 143-S.

Critical Date(s): None

Commissioners Assigned: Full Commission

Prehearing Officer: Jaber

Staff: RGO: Clapp, Rieger

ECR: Iwenjiora LEG: Harris

ISSUE 1: Should the transfer of Regency's water and wastewater facilities to JEA be approved as a matter of righ and should Certificates Nos. 197-W and 143-S be cancelled? RECOMMENDATION: Yes. The transfer of Regency's water and wastewater facilities to JEA should be approved as a matter of right pursuant to Section 367.071(4)(a), Florida Statutes and Certificates Nos. 197-W and 143-S should be cancelled effective April 10, 2001. The remaining activities of Regency are exempt from Commission regulation pursuant to Section 367.022(8), Florida Statutes.

ISSUE 2: Should this docket be closed?
RECOMMENDATION: Yes. The docket should be closed.

DECISION: The recommendations were approved.

ITEM NO. CASE

32**

Docket No. 011402-WU - Notice of abandonment of water services in Marion County by Silver City Utilities.

Critical Date(s): None

Commissioners Assigned: Full Commission Prehearing Officer: Administrative

Staff: RGO: Brady, Redemann

ECR: Iwenjiora LEG: Harris

<u>ISSUE 1</u>: Should the Commission acknowledge the notice of abandonment of Silver City Utilities?

RECOMMENDATION: Yes. The Commission should acknowledge the notice of abandonment and the potential for the utility to be abandoned as of, or subsequent to, December 31, 2001. The utility should be put on notice that it will be required to file a 2001 Annual Report and to remit the 2001 regulatory assessment fees within the time frame and manner prescribed by Commission rules.

ISSUE 2: Should the docket be closed?

RECOMMENDATION: No. The docket should remain open pending final disposition of the utility.

DECISION: The recommendations were approved.

ITEM NO. CASE

33**PAA

Docket No. 011200-EQ - Petition for approval of standard offer contract and revised COG-2 tariff, and for ruling that waiver of a portion of Rule 25-17.0832(4), F.A.C., is unnecessary, by Florida Power & Light Company. (Deferred fro the December 4, 2001 Commission Conference.)

Critical Date(s): 12/31/01 (60-day suspension date)

Commissioners Assigned: Full Commission Prehearing Officer: Administrative

ISSUE 1: Should the Commission find that Florida Power & Light's petition that a waiver of Rule 25-17.0832(4)(e)5, Florida Administrative Code, is unnecessary?

RECOMMENDATION: Yes. FPL's proposed standard offer contract can be processed during its Request for Proposals process. The RFP requested proposals to deliver firm capacity and energy in 2005 and 2006. The standard offer is designed to defer or avoid up to 5 MW's of a 2003 CT at Fort Myers. If party signs the proposed standard offer contract, the capacity and energy sold to FPL will not significantly affec FPL's need for capacity in 2005 and 2006.

<u>ISSUE 2</u>: Should FPL's petition for approval of a new Standard Offer Contract, based upon a combustion turbine uni with an in-service date of 2003, be approved?

<u>RECOMMENDATION</u>: Yes. FPL's new Standard Offer Contract

complies with Rule 25-17.0832, Florida Administrative Code. Thus, the Standard Offer Contract and associated tariffs should be approved.

<u>ISSUE 3</u>: On what date should FPL's proposed Standard Offer Contract become effective?

<u>RECOMMENDATION</u>: FPL's proposed standard offer contract should become effective ten days after the issuance of a consummating order if there is no timely protest filed.

ITEM NO. CASE

33**PAA

Docket No. 011200-EQ - Petition for approval of standard offer contract and revised COG-2 tariff, and for ruling that waiver of a portion of Rule 25-17.0832(4), F.A.C., is unnecessary, by Florida Power & Light Company. (Deferred from the December 4, 2001 Commission Conference.)

(Continued from previous page)

ISSUE 4: Should this docket be closed?

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

DECISION: The recommendations were approved.

ITEM NO. CASE

34

Docket No. 011252-TP - Request for arbitration concerning complaint of XO Florida, Inc. against Verizon Florida Inc. (f/k/a GTE Florida Incorporated) regarding breach of interconnection agreement and request for expedited relief.

Critical Date(s): None

Commissioners Assigned: Jacobs, Deason, Baez

Prehearing Officer: Baez

Staff: LEG: Fordham CMP: Fulwood

ISSUE 1: Should the Commission grant Verizon's Motion to

Dismiss?

RECOMMENDATION: Yes. The Commission should grant Verizon's

Motion to Dismiss.

ISSUE 2: Should this Docket be closed?

 $\begin{tabular}{ll} \hline \textbf{RECOMMENDATION} : Yes. & If the Commission approves staff's \\ recommendation in Issue 1, the Docket should be closed upon \\ \hline \end{tabular}$

issuance of the order.

DECISION: The recommendations were approved.

Commissioners participating: Jacobs, Deason, Baez

ITEM NO. CASE

35**

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 fo expedited relief.

Critical Date(s): None

Commissioners Assigned: Jacobs, Jaber, Baez

Prehearing Officer: Jacobs

Staff: LEG: Stern

ECR: E. Draper

ISSUE 1: Should TECO be required to continue filing quarterl Commercial/Industrial Service Rider (CISR) reports?

RECOMMENDATION: No. TECO should not be required to continue filing quarterly CISR reports. TECO, however, should be required to notify the Commission when it executes a new CSA and provide a description of the CSA, including the rates, terms and conditions, and the justification for the offering TECO should provide this information within 30 days after executing the CSA.

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

<u>RECOMMENDATION</u>: Yes. This docket should be closed.

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

Commissioners participating: Jacobs, Jaber, Baez

ITEM NO. CASE

36

Docket No. 010098-TP - Petition by Florida Digital Network, Inc. for arbitration of certain terms and conditions of proposed interconnection and resale agreement with BellSouth Telecommunications, Inc. under the Telecommunications Act of 1996.

Critical Date(s): None

Commissioners Assigned: Deason, Jaber, Palecki

Prehearing Officer: Deason

Staff: CMP: Hinton

LEG: Banks, Fudge

<u>LEGAL ISSUE A</u>: What is the Commission's jurisdiction in this matter?

RECOMMENDATION: Staff believes that the Commission has jurisdiction pursuant to Chapter 364, Florida Statutes, and Section 252 of the Federal Telecommunications Act of 1996 (Act) to arbitrate interconnection agreements, and may implement the processes and procedures necessary to do so in accordance with Section 120.80 (13)(d), Florida Statutes. Section 252 states that a State Commission shall resolve eac issue set forth in the petition and response, if any, by imposing the appropriate conditions required. This section requires this Commission to conclude the resolution of any unresolved issues not later than nine months after the date on which the ILEC received the request under this section. In this case, however, the parties have explicitly waived th nine-month requirement set forth in the Act.

Further, staff believes that while Section 252(e) of the Act reserves the state's authority to impose additional conditions and terms in an arbitration not inconsistent with the Act and its interpretation by the FCC and the courts, th Commission should use discretion in the exercise of such authority.

ITEM NO. CASE

36

Docket No. 010098-TP - Petition by Florida Digital Network, Inc. for arbitration of certain terms and conditions of proposed interconnection and resale agreement with BellSouth Telecommunications, Inc. under the Telecommunications Act of 1996.

<u>ISSUE 1</u>: For purposes of the new interconnection agreement,

(Continued from previous page)

should BellSouth be required to provide xDSL service over UN loops when FDN is providing voice service over that loop? RECOMMENDATION: Staff recommends that for the purposes of th new interconnection agreement, where BellSouth has deployed DSLAM in the remote terminal for the purposes of providing DSL service to customers served by that remote terminal, BellSouth should be required to provide a broadband UNE that includes unbundled DSL-capable transmission facilities between the customer's Network Interface Device and the BellSouth distribution frame in its central office, includin all attached electronics that perform DSL multiplexing and splitting functionalities. Staff recommends the Commission not require BellSouth to offer either its FastAccess Interne Service or its DSL transport service to FDN for resale in th new BellSouth/FDN interconnection agreement. Finally, staff recommends the Commission not require BellSouth to continue to provide its FastAccess Internet Service to end users who obtain voice service from FDN over UNE loops. ISSUE 11: Should this docket be closed? RECOMMENDATION: No. The parties should be required to submi 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

DECISION: This item was deferred.

Telecommunications Act of 1996.