MINUTES OF COMMISSION CONFERENCE FEBRUARY 5, 2002 COMMENCED: 9:30 a.m. ADJOURNED: 10:50 a.m.

COMMISSIONERS PARTICIPATING: Chairman Jaber Commissioner Deason Commissioner Baez Commissioner Palecki Commissioner Bradley

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

1 Approval of Minutes January 8, 2002 Regular Commission Conference

DECISION: The minutes were approved.

ITEM NO.	CASE	
2**	Consent Agenda	
PAA		ons for certificates to provide alternative nange telecommunications service.
	DOCKET NO.	COMPANY NAME
	011649-TX	Foxtel, Inc.
	011558-TX	Smart City Solutions, LLC
	011604-TX	El Paso Networks, LLC
PAA		ons for certificates to provide interexchange nications service.
	DOCKET NO.	COMPANY NAME
	011433-TI	United System Access Telecom, Inc.
	011603-TI	El Paso Networks, LLC
	011391-TI	United Telemanagement Systems, Inc.
	011606-TI	National Telephone Exchange, Inc.

ITEM NO.	CASE		
2**	Consent Agend	la	
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PAA	C) Applicatio service.	ns for certificates to	o provide pay telephone
	DOCKET NO.	COMPANY NAM	E
	020051-TC	Phonel, Inc.	
	011673-TC	Tom Marsell	
	020050-TC	C.V.P.Inc.	
PAA		r cancellation of interior interior interior certificate.	erexchange
	DOCKET NO.	COMPANY NAME	EFFECTIVE DATE
	011678-TI	Pac-West Telecomm, Inc.	10/02/01
PAA	E) DOCKET NO. 020022-TP - Request for cancellation of ALEC Certificate No. 7132 and IXC Certificate No. 7133 by FreedomTel, Inc., effective 11/27/01.		
PAA	F) DOCKET NO. 011602-TP - Request for approval of transfer of ownership of Concert Communications Sales LLC (holder of ALEC Certificate 7253 and IXC Certificate 7372) from joint ultimate ownership by British Telecommunications plc and AT&T Corp. to sole ultimate ownership by BT Group plc and British Telecommunications plc.		

ITEM NO.		CASE		
2**	Consent Agen	da		
	(Continued f	rom previous page)		
PAA	24.515(13	or exemption from required), F.A.C., that each pay oming calls.		
	DOCKET NO.	COMPANY NAME	PHONE NO. & LOCATION	
	020047-TC	BellSouth Public Communications, Inc.	904-751-8921 904-696-8978 904-757-9628 904-757-9702 904-757-9699 904-757-9623 Bacardi Bottling Corp. 12200 N. Main St.	

Jacksonville

<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**PAA	Docket No. 010951-TX - Application for certificate to provide alternative local exchange telecommunications service by Florida Phone Service, Inc.		
	Critical Date(s): None		
	Commissioners Assigned: Full Commission Prehearing Officer: Administrative		
	Staff: CMP: Williams GCL: Elliott		
	<pre>ISSUE 1: Should the Commission grant Florida Phone Service, Inc. a certificate to provide alternative local exchange telecommunications service within the State of Florida as provided by Section 364.337(1), Florida Statutes? RECOMMENDATION: Yes. Florida Phone Service, Inc. should be granted Florida Public Service Commission Certificate No. 7905. ISSUE 2: Should this docket be closed? RECOMMENDATION: Yes. If no person whose substantial interests are affected by the Commission's decision in Issue 1 files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a Consummating Order.</pre>		

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

ITEM NO.	CASE
4**paa	Docket No. 011654-TI - Investigation and determination of appropriate method for refunding overcharges assessed on intrastate calls made using prepaid calling services by Locus Telecommunications, Inc.
	Critical Date(s): None
	Commissioners Assigned: Full Commission Prehearing Officer: Administrative
	Staff: CMP: Buys ECR: Draper, Vendetti GCL: Teitzman
	ISSUE 1: Should the Commission accept Locus Telecommunications, Inc.'s proposal to submit a payment of \$3,896.75, plus interest of \$87.30, for a total of \$3,984.05, to the General Revenue Fund for overcharging end- users on intrastate calls made using prepaid calling services provided through the Satellite Phone Card from May 1, 2001, through August 31, 2001? <u>RECOMMENDATION</u> : Yes. The Commission should accept Locus Telecommunications, Inc.'s offer to submit a payment of \$3,896.75, plus interest of \$87.30, for a total of \$3,984.05, to the General Revenue Fund for overcharging end- users on intrastate calls made using prepaid calling services provided through the Satellite Phone Card from May 1, 2001, through August 31, 2001. The payment should be received by the Commission within ten business days after the issuance of the Consummating 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 General Revenue Fund. If Locus
	Telecommunications, Inc. fails to pay in accordance with its offer, Certificate No. 7439 should be canceled

administratively and this docket should be closed.

ISSUE 2: Should this docket be closed?

<u>RECOMMENDATION</u>: 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. This

ITEM NO.	CASE		
4**PAA	Docket No. 011654-TI - Investigation and determination of appropriate method for refunding overcharges assessed on intrastate calls made using prepaid calling services by Locus Telecommunications, Inc.		
	(Continued from previous page)		
	docket should remain open pending receipt of the \$3,984.05 contribution. Upon receipt of the contribution, it should be forwarded to the Office of the Comptroller for deposit in the General Revenue Fund, and this docket should be closed administratively. If the company fails to pay the settlement contribution, this docket may be closed administratively upon cancellation of Locus Telecommunications, Inc.'s certificate.		
DECISION:	This item was deferred.		

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ITEM NO.	CASE
5**PAA	Docket No. 011653-TI - Compliance investigation of WorldTeq, Inc. for apparent violation of Rule 25-24.470, F.A.C., Certificate of Public Convenience and Necessity Required.
	Critical Date(s): None
	Commissioners Assigned: Full Commission Prehearing Officer: Administrative
	Staff: CMP: Buys GCL: Teitzman
	<u>ISSUE 1</u> : Should the Commission fine WorldTeq, Inc. \$25,000 for its apparent violation of Rule 25-24.470, Florida Administrative Code, Certificate of Public Convenience and Necessity Required?
	RECOMMENDATION: Yes. The Commission should fine WorldTeq, Inc. \$25,000 for its apparent violation of Rule 25-24.470, Florida Administrative Code, Certificate of Public Convenience and Necessity Required. The fine should be paid to the Florida Public Service Commission and forwarded to
	the Office of the Comptroller for 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, the collection of the fine should be referred to the Office of the Comptroller.
	<u>ISSUE 2</u> : Should this docket be closed? <u>RECOMMENDATION</u> : 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. This
	docket should then be closed administratively upon either receipt of the fine, or upon referral of the fine to the Office of the Comptroller for collection if the fine is not paid within five business days after issuance of the Consummating Order.
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DECISION: This item was deferred.

ITEM NO.	CASE		
6**PAA	Docket No. 011611-EI - Petition for waiver of depreciation study filing requirement in Rule 25-6.0436(8)(a), F.A.C., by Florida Power Corporation.		
	Critical Date(s): 2/26/02 (Petition deemed approved if not granted or denied within 90 days of receipt.)		
	Commissioners Assigned: Full Commission Prehearing Officer: Administrative		
	Staff: ECR: Meeks, P. Lee GCL: Dodson		
	<u>ISSUE 1</u> : Should Florida Power Corporation's request for a waiver of Rule 25-6.0436(8)(a), Florida Administrative Code, be granted?		
	RECOMMENDATION: Yes. The Commission should grant FPC's waiver request for an extension of time to file its depreciation study no later than April 30, 2003. The requested waiver will serve the purposes of the underlying statutes, and FPC will experience substantial economic hardship if its Petition is denied. However, the filing date should be revisited if a settlement is reached in Docket No. 000824-EI.		
	<u>ISSUE 2</u> : Should this docket be closed? <u>RECOMMENDATION</u> : Yes. A consummating order should be issued, and this docket should be closed if no person whose substantial interests are affected by the proposed action files a protest within the 21-day protest period.		

DECISION: The recommendations were approved.

ITEM NO.	CASE
7**PAA	Docket No. 011189-WS - Investigation into the authorized return on equity of Alafaya Utilities, Inc. in Seminole County; Lake Groves Utilities, Inc. in Lake County; Miles Grant Water and Sewer Co. in Martin County; and Utilities, Inc. of Longwood in Seminole County.
	Critical Date(s): None
	Commissioners Assigned: Full Commission Prehearing Officer: Administrative
	Staff: ECR: Jones, Merchant GCL: Espinoza
	<u>ISSUE 1</u> : Should the Commission, on its own motion, conduct a limited proceeding in order to update the authorized return on equity for Alafaya, Lake Groves, Miles Grant and Longwood?
	RECOMMENDATION: Yes. Each utility's authorized ROE should be updated in order to establish a more appropriate return on a going-forward basis. <u>ISSUE 2</u> : What is the appropriate ROE for Alafaya, Lake Groves, Miles Grant, and Longwood?
	<u>RECOMMENDATION</u> : Each utility's ROE should be decreased to 11.05%, with a range of 10.05% to 12.05%, based on the current leverage formula. This recommended ROE should be effective as of the date the Commission's proposed agency action (PAA) order is final and should be applied to any future proceedings of each utility, including, but not limited to, price index rate adjustments, interim rates, an
	overearnings. <u>ISSUE 3</u> : Should this docket be closed? <u>RECOMMENDATION</u> : If no person whose interests are substantially affected by the proposed action files a protest within the 21-day protest period, the PAA order will become final upon the issuance of a consummating order, upon which the docket should be closed.
DECISION:	This item was deferred.
<u>DECISION</u> :	This item was deferred.

ITEM NO.	CASE		
8**	Docket No. 990374-WS - Application for certificates to operate a water and wastewater utility in Highlands County by The Woodlands of Lake Placid, L.P., and for deletion of portion of wastewater territory in Certificate No. 361-S held by Highlands Utilities Corporation.		
	Critical Date(s): 4/2/02 (Statutory deadline for original certificates pursuant to Section 367.031, Florida Statutes.)		
	Commissioners Assigned: Full Commission Prehearing Officer: Palecki		
	Staff: ECR: Clapp, Redemann, Iwenjiora GCL: Fudge		
	<u>ISSUE 1</u> : Should the Commission order the utility to show cause, in writing within 21 days, why it should not be fined for operating a water and wastewater utility without a certificate of authorization in apparent violation of Chapter 367.031, Florida Statutes? <u>RECOMMENDATION</u> : No. Show cause proceedings should not be initiated.		
DECISION:	The recommendation was approved.		
	ISSUE 2: Should Woodlands of Lake Placid, L.P., be ordered		

<u>ISSUE 2</u>: Should Woodlands of Lake Placid, L.P., be ordered to show cause, in writing, within 21 days, why it should not be fined for collecting charges not approved by the Commission, in apparent violation of Sections 367.081(1), and 367.091(3), Florida Statutes? <u>RECOMMENDATION</u>: No. Show cause proceedings should not be initiated at this time. The utility should be put on notice that pursuant to Sections 367.081(1) and 367.091(3), Florida Statutes, it may only charge rates and charges approved by the Commission.

DECISION: The recommendation was approved.

ITEM NO.	CASE

8** Docket No. 990374-WS - Application for certificates to operate a water and wastewater utility in Highlands County by The Woodlands of Lake Placid, L.P., and for deletion of portion of wastewater territory in Certificate No. 361-S held by Highlands Utilities Corporation.

(Continued from previous page)

PAA <u>ISSUE 3</u>: Should the utility be required to make refunds to customers for charging unauthorized rates and charges? <u>RECOMMENDATION</u>: No. The utility should not be required to make refunds.

<u>DECISION</u>: The recommendation was approved with the modification that the Commission retains jurisdiction over the \$12,095 plus interest identified by staff, pending the outcome of the SARC. Additionally, rates collected on a going-forward basis are subject to refund.

> <u>ISSUE 4</u>: Should Woodlands be ordered to show cause, in writing within 21 days, why it should not be fined for failure to file its 1995, 1996, 1997, and 1998 annual reports in apparent violation of Rule 25-30.110, Florida Administrative Code? <u>RECOMMENDATION</u>: 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. Woodlands should not be required to file 1995, 1996, 1997, or 1998 annual reports.

DECISION: The recommendation was approved.

<u>ISSUE 5</u>: Should the application of The Woodlands of Lake Placid, L.P., for water and wastewater certificates be granted and the agreement between the Woodlands of Lake Placid, L.P., and Highlands Utilities Corporation be approved? <u>RECOMMENDATION</u>: Yes. The Woodlands of Lake Placid, L.P., should be granted Water Certificate No. 620-W to serve the territory described in Attachment B of staff's January 24,

ITEM NO.	CASE		
8**	Docket No.	990374-WS - Application for certificates to	

Docket No. 990374-WS - Application for certificates to operate a water and wastewater utility in Highlands County by The Woodlands of Lake Placid, L.P., and for deletion of portion of wastewater territory in Certificate No. 361-S held by Highlands Utilities Corporation.

(Continued from previous page)

2002 memorandum and Wastewater Certificate No. 533-S to serve the territory described in Attachment C. The Commission should approve the agreement (Attachment A) and the territory described in Attachment D should be deleted from the Highlands Wastewater Certificate No. 361-S and added to Woodlands Certificate No. 533-S.

DECISION: The recommendation was approved.

PAA <u>ISSUE 6</u>: What rates and charges should be approved for Woodlands of Lake Placid? <u>RECOMMENDATION</u>: The utility's rates and charges for water and wastewater service detailed in the analysis portion of staff's memorandum should be approved. The effective date of the utility's rates and charges should be the stamped approval date of the tariff sheets, pursuant to Rule 25-30.475, Florida Administrative Code. A return on equity of 11.34% should be approved.

<u>DECISION</u>: The recommendation was approved consistent with the modification in Issue 3 that rates collected on a going-forward basis are subject to refund. The \$35 rate is temporary pending outcome of the staff-assisted rate case.

PAA <u>ISSUE 7</u>: What are the appropriate service availability charges for Woodlands? <u>RECOMMENDATION</u>: The utility's proposed service availability charges set forth within the staff analysis are appropriate and should be approved effective for connections made on or after the stamped approval date on the tariff sheets.

DECISION: The recommendation was approved.

ITEM NO.		CASE
8**	Docket No.	990374-WS - Application for certificates to

operate a water and wastewater utility in Highlands County by The Woodlands of Lake Placid, L.P., and for deletion of portion of wastewater territory in Certificate No. 361-S held by Highlands Utilities Corporation.

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<u>ISSUE 8</u>: Should this docket be closed? <u>RECOMMENDATION</u>: Yes. If no timely protest is received to the proposed agency action issues, a Consummating Order should be issued upon the expiration of the protest period. Should no timely protests be received, the docket should be closed.

<u>DECISION</u>: The decision in this issue is consistent with modifications in Issues 3 and 6.

ITEM NO.	CASE
9**	Docket No. 010726-WS - Complaint by Bayside Mobile Home Park against Bayside Utility Services, Inc. regarding denial of request for water and wastewater service in Bay County.
	Critical Date(s):
	Commissioners Assigned: Full Commission Prehearing Officer: Deason
	Staff: GCL: Jaeger ECR: Rendell, Walker
	ISSUE 1: Should the Commission grant Bayside Utility Services, Inc.'s Motion to Dismiss the Developer's Petitions, Protests and Requests for Hearing? RECOMMENDATION: No. The Commission should deny Bayside Utility Services, Inc.'s Motion to Dismiss the Developer's Petitions, Protests and Requests for Hearing. The petitions serve as adequate notice that there is a dispute as to the applicable law and proper application of the Commission's rules. There being no apparent dispute of material fact, staff recommends that an informal proceeding in accordance with Rule 28-106.301, Florida Administrative Code, be initiated. ISSUE 2: Should the Commission grant Bayside Mobile Home Park's Amended Petition to refer this matter to the Division of Administrative Hearings and request that an Administrative Law Judge be assigned to conduct the hearing in Panama City Beach? RECOMMENDATION: No. The Commission should deny in part and grant in part Bayside Mobile Home Park's Original Petition and Amended Petition Protesting Proposed Agency Action Order No. PSC-01-2095-PAA-WS. Specifically, the Commission should deny the request to assign the protests to the Division of Administrative Hearings, deny the request to hold the hearing in Panama City Beach, and deny the requests for either mediation or arbitration. However, because there appear to be no disputed issues of material fact, the Commission should initiate an informal proceeding in

ITEM NO.		CASE
9**	Docket No.	010726-WS - Complaint by Bayside Mobile Home

Docket No. 010726-WS - Complaint by Bayside Mobile Home Park against Bayside Utility Services, Inc. regarding denial of request for water and wastewater service in Bay County.

(Continued from previous page)

accordance with Section 120.57(2), Florida Statutes, and require the parties to submit legal briefs, and allow oral argument in conjunction with a designated agenda conference. If the Developer requests that it be allowed to participate by telephone, such request should be granted.

<u>DECISION</u>: The recommendations were denied. On the Commission's own motion, this entire matter is to be disposed of by a summary final order.

ITEM NO.	CASE
10**PAA	Docket No. 010097-TL - Compliance investigation of BellSouth Telecommunications, Inc. for violation of service standards.
	Critical Date(s): 3/7/02 (90-day statutory deadline for rule waiver)
	Commissioners Assigned: Full Commission Prehearing Officer: Baez
	Staff: GCL: Fudge CMP: Buys
	<u>ISSUE 1</u> : Should the Commission grant BellSouth's petition for a limited waiver of Rule Nos. 24-4.066(2), 25- 4.070(3)(a), and 25-4.070(1)(b), Florida Administrative Code?
	RECOMMENDATION: Yes. The Commission should grant BellSouth's petition for a limited waiver of Rule Nos. 24- 4.066(2), 25-4.070(3)(a), and 25-4.070(1)(b), Florida Administrative Code. The waiver of the rules should remain in effect until midnight on February 28, 2005, the expiration of BellSouth's Service Guarantee Plan, unless otherwise directed by the Commission.
	<u>ISSUE 2</u> : Should the Commission approve BellSouth's proposed settlement offer to resolve the compliance investigation for the apparent violation of service standards during the calendar years 2000 and 2001?
	RECOMMENDATION: Yes. The Commission should approve BellSouth's proposed settlement offer in its entirety. The Order should become final and the company's proposed settlement offer should become effective upon issuance of a Consummating Order.

ITEM NO.	CASE
10**PAA	Docket No. 010097-TL - Compliance investigation of BellSouth Telecommunications, Inc. for violation of service standards.
	(Continued from previous page)
	ISSUE 3: Should this docket be closed? <u>RECOMMENDATION</u> : If the Commission approves staff's recommendations in Issue 1 and Issue 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. If the

issuance of the Proposed Agency Action Order. If the Commission denies staff's recommendation in either Issue 1 or Issue 2, this docket should remain open pending resolution of the compliance investigation.

DECISION: The recommendations were approved.

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11	Docket No. 010345-TP - Petition by AT&T Communications of
	the Southern States, Inc., TCG South Florida, and MediaOne
	Florida Telecommunications, Inc. for structural separation
	of BellSouth Telecommunications, Inc. into two distinct
	wholesale and retail corporate subsidiaries.

Critical Date(s): None

Commissioners Assigned: Jaber, Deason, Baez, Palecki Prehearing Officer: Palecki

CASE

Staff: GCL: Fudge CMP: Simmons

<u>ISSUE 1</u>: Should AT&T's Motion for Reconsideration of Order No. PSC-01-2178-FOF-TP be granted? <u>RECOMMENDATION</u>: No. AT&T has failed to identify any point of fact or law that the Commission overlooked or which the Commission failed to consider in rendering its Order. <u>ISSUE 2</u>: Should this docket be closed? <u>RECOMMENDATION</u>: Yes. Since no further action is required, this docket should be closed.

<u>DECISION</u>: The recommendations were approved. Commissioner Palecki dissented from the majority.

ITEM NO.	CASE
12	Docket No. 010302-TP - Petition by ALLTEL Communications, Inc. for arbitration of certain open issues in existing interconnection agreement with BellSouth Telecommunications, Inc.
	Critical Date(s): None
	Commissioners Assigned: Jaber, Deason, Palecki Prehearing Officer: Palecki
	Staff: GCL: Fudge CMP: Cater
	ISSUE 1: Should the Commission approve the arbitrated Interconnection Agreement between BellSouth and ALLTEL in Docket No. 010302-TP? <u>RECOMMENDATION</u> : Yes. The Commission should approve the arbitrated Interconnection Agreement between BellSouth and ALLTEL in Docket No. 010302-TP. <u>ISSUE 2</u> : Should this docket be closed? <u>RECOMMENDATION</u> : Yes. If the Commission approves staff's recommendation in Issue 1, no further action will be required in this docket. Therefore, this docket may be closed.

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

Commissioners participating: Jaber, Deason, Palecki

ITEM NO.	CASE
13	Docket No. 001797-TP - Petition by DIECA Communications, Inc. d/b/a Covad Communications Company for arbitration of unresolved issues in interconnection agreement with BellSouth Telecommunications, Inc.
	Critical Date(s): None
	Commissioners Assigned: Jaber, Baez, Palecki Prehearing Officer: Jaber
	Staff: CMP: Fulwood GCL: Banks
	ISSUE 1: Should the Commission approve the arbitrated interconnection agreement between BellSouth and Covad in Docket No. 001797-TP? RECOMMENDATION: Yes. The Commission should approve the arbitrated interconnection agreement between BellSouth and Covad in Docket No. 001797-TP. ISSUE 2: Should this docket be closed? RECOMMENDATION: Yes. If the Commission approves staff's recommendation in Issue 1, no further action will be required in this docket. Therefore, this docket may be closed.
DECISION:	The recommendations were approved.

Commissioners participating: Jaber, Baez, Palecki

ITEM NO.	CASE
14**	Docket No. 991378-TL - Initiation of show cause proceedings against BellSouth Telecommunications, Inc. for violation of service standards.
	Critical Date(s): None
	Commissioners Assigned: Baez, Palecki Prehearing Officer: Baez
	Staff: GCL: B. Keating, Knight CMP: Buys
	ISSUE 1: Should the Commission grant BellSouth's unopposed motion for extension of time until March 1, 2002, to comply with Commission Order PSC-01-1643-AS-TL? <u>RECOMMENDATION</u> : Yes. The Commission should grant BellSouth's unopposed motion for extension of time until March 1, 2002, to comply with Commission Order PSC-01-1643- AS-TL. <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 upon the issuance of the Final Order.
DECISION:	The recommendations were approved.

Commissioners participating: Baez, Palecki