

MINUTES OF
COMMISSION CONFERENCE, TUESDAY, JANUARY 16, 2001
COMMENCED: 9:30 a.m.
ADJOURNED: 1:00 p.m.

COMMISSIONERS PRESENT: 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 28, 2000 Regular Commission Conference.

DECISION: The minutes were approved.

Commissioners participating: Jacobs, Deason, Jaber, Baez

2** Consent Agenda

PAA A) Applications for certificates to provide pay telephone service.

<u>DOCKET NO.</u>	<u>COMPANY NAME</u>
001800-TC	Balance, Inc.
001801-TC	Murger Inc. d/b/a Lake Bonnet Village

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

<u>DOCKET NO.</u>	<u>COMPANY NAME</u>
001433-TX	Soapstone Telecom LLC
001658-TX	Global Metro Networks Florida, LLC
001691-TX	Intelogistics Corp.
001751-TX	SCC Communications Corp.
001757-TX	Kernan Associates, Ltd. d/b/a St. Johns Estates

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<u>ITEM NO.</u>	<u>CASE</u>												
2**	Consent Agenda (Continued from previous page)												
	<table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;"><u>DOCKET NO.</u></th> <th style="text-align: center;"><u>COMPANY NAME</u></th> </tr> </thead> <tbody> <tr> <td>001626-TX</td> <td>Auglink Communications, Inc.</td> </tr> <tr> <td>001684-TX</td> <td>Florida Municipal Power Agency</td> </tr> </tbody> </table>	<u>DOCKET NO.</u>	<u>COMPANY NAME</u>	001626-TX	Auglink Communications, Inc.	001684-TX	Florida Municipal Power Agency						
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PAA	C) Applications for certificates to provide interexchange telecommunications service.												
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001607-TI	Gadjraj And Sons, Import and Export, Inc. d/b/a Arctics d/b/a Kaizen												
PAA	D) DOCKET NO. 001821-TX - Request for cancellation of ALEC Certificate No. 4840 by Ameritech Communications International, Inc., effective December 22, 2000.												
PAA	E) DOCKET NO. 001730-TI - Request for cancellation of IXC Certificate No. 4403 by Interoute-Retail, Inc., effective January 15, 2001.												
PAA	F) DOCKET NO. 001754-TX - Joint application of TeleConex, Inc. (holder of ALEC Certificate No. 5207) and Pre-Cell Solutions, Inc., parent company of Pre-Cell Solutions/Family Phone Service, Inc. (holder of ALEC Certificate No. 5265) for merger of Family Phone Service with and into TeleConex, for transfer of control of TeleConex to Pre-Cell, and for cancellation of Certificate No. 5265.												
	G) Requests for approval of resale agreements.												

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<u>DOCKET NO.</u>	<u>COMPANY NAME</u>	<u>CRITICAL DATE</u>
001619-TP	SATCOM Communication Corporation d/b/a SATCOM Communication; Sprint-Florida, Incorporated	01/24/01
001710-TP	BellSouth Telecommunications, Inc.; Gulf Coast States Telecommunications, Inc.	02/14/01
001711-TP	BellSouth Telecommunications, Inc.; Columbus Catalog Sales d/b/a Columbus Local Communications	02/14/01
001712-TP	BellSouth Telecommunications, Inc.; National Telecom, LLC	02/14/01
001713-TP	BellSouth Telecommunications, Inc.; MetroConnection, Inc. d/b/a TransAmerican Telephone, Inc.	02/14/01
001715-TP	Seven Bridges Communications, L.L.C.; Verizon Florida Inc	02/14/01
001720-TP	ALLTEL Florida, Inc.; Budget Comm	02/15/01
001722-TP	BellSouth Telecommunications, Inc.; EZ Telephone d/b/a ET Home Phone	02/15/01
001726-TP	American Communications, Inc.; BellSouth Telecommunications, Inc.	02/18/01

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- H) DOCKET NO. 001630-TP - Petition for approval of interconnection, unbundling, and resale agreement between Sprint-Florida, Incorporated and WinStar Wireless, Inc.
(Critical Date: 1/25/01)
- I) DOCKET NO. 001714-TP - Request by BellSouth Telecommunications, Inc. for approval of interconnection, unbundling, resale, and collocation agreement with SBC National, Inc. d/b/a SBC Telecom, Inc.
(Critical Date: 2/14/01)
- J) DOCKET NO. 001620-TP - Petition by Sprint-Florida, Incorporated for approval of amendment to adopted terms of interconnection, unbundling, and resale agreement with BroadBand Office Communications, Inc.
(Critical Date: 1/24/01)
- K) DOCKET NO. 001744-TP - Request by BellSouth Telecommunications, Inc. for approval of amendment to existing interconnection agreement with North American Software Associates, LTD (n/k/a Action Communication, Inc.)
(Critical Date: 3/1/01)
- L) DOCKET NO. 001601-TP - Request by BellSouth Telecommunications, Inc. for approval of interim interconnection agreement with ALLTEL Communications, Inc.

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

DECISION: The recommendation was approved.

Commissioners participating: Jacobs, Deason, Jaber, Baez, Palecki

ITEM NO.

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3**

DOCKET NO. 001222-TI - Cancellation by Florida Public Service Commission of Interexchange Telecommunications Certificate No. 3549 issued to Nationwide Communications of Michigan, Inc. for violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.

Critical Date(s): None

Commissioners Assigned: Full Commission
Prehrg Officer ADM

Staff: CMP: Isler
LEG: Banks

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

Recommendation: Yes. The Commission should accept the company's settlement proposal. Any contribution should be received by the Commission within ten business days from the date of the Commission Order and should identify the docket number and company name. The Commission should forward the contribution to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. If the company fails to pay in accordance with the terms of the Commission Order, Certificate No. 3549 should be canceled administratively.

Issue 2: Should this docket be closed?

Recommendation: Yes. If the Commission approves staff's recommendation in Issue 1, this docket should be closed upon receipt of the \$500 contribution or cancellation of the certificate.

DECISION: The recommendations were approved.

Commissioners participating: Jacobs, Deason, Jaber, Baez, Palecki

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4**

DOCKET NO. 001295-TI - Cancellation by Florida Public Service Commission of IXC Certificate No. 5317 issued to Money Travel Services of Florida, Inc. for violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.

Critical Date(s): None

Commissioners Assigned: Full Commission
Prehrg Officer ADM

Staff: CMP: Isler
LEG: Elliott

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

Recommendation: Yes. The Commission should accept the company's settlement proposal. Any contribution should be received by the Commission within ten business days from the date of the Commission Order and should identify the docket number and company name. The Commission should forward the contribution to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. If the company fails to pay in accordance with the terms of the Commission Order, Certificate No. 5317 should be canceled administratively.

Issue 2: Should this docket be closed?

Recommendation: Yes. If the Commission approves staff's recommendation in Issue 1, this docket should be closed upon receipt of the \$250 contribution or cancellation of the certificate.

DECISION: The recommendations were approved.

Commissioners participating: Jacobs, Deason, Jaber, Baez, Palecki

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5**

DOCKET NO. 001211-TI - Cancellation by Florida Public Service Commission of Interexchange Telecommunications Certificate No. 3136 issued to Worldtel Services, Inc. for violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.

DOCKET NO. 001270-TI - Cancellation by Florida Public Service Commission of IXC Certificate No. 5172 issued to TEL-LINK of Florida, L.L.C. for violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.

Critical Date(s): None

Commissioners Assigned: Full Commission
Prehrg Officer ADM

Staff: CMP: Isler
LEG: Elliott, Walker

Issue 1: Should the Commission grant each of the certificated interexchange telecommunications providers listed on page 4 of staff's January 4, 2001 memorandum a voluntary cancellation of its respective certificate?

Recommendation: Yes. The Commission should grant each company a voluntary cancellation of its respective telecommunications certificate with the effective date shown on page 4.

Issue 2: Should these dockets be closed?

Recommendation: Yes. If the Commission approves staff's recommendation in Issue 1, these dockets should be closed.

DECISION: The recommendations were approved.

Commissioners participating: Jacobs, Deason, Jaber, Baez, Palecki

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DOCKET NO. 001209-TI - Cancellation by Florida Public Service Commission of Interexchange Telecommunications Certificate No. 2994 issued to Network Plus, Inc. d/b/a Hale and Father, Inc. for violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.
DOCKET NO. 001242-TI - Cancellation by Florida Public Service Commission of Interexchange Telecommunications Certificate No. 3537 issued to Telco Billing, Inc. for violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.
DOCKET NO. 001283-TI - Cancellation by Florida Public Service Commission of Interexchange Telecommunications Certificate No. 5272 issued to Executive Business Centers, Inc. for violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.

Critical Date(s): None

Commissioners Assigned: Full Commission
Prehrg Officer ADM

Staff: CMP: Isler
LEG: K. Peña, Elliott

Issue 1: Should the Commission accept the settlement offer proposed by each company listed on page 4 of staff's January 4, 2001 memorandum to resolve the apparent violation of Rule 25-4.0161, Florida Administrative Code, Regulatory Assessment Fees; Telecommunications Companies?

Recommendation: Yes. The Commission should accept each company's respective settlement proposal. Any contribution should be received by the Commission within ten business days from the date of the Commission Order and should identify the docket number and company name. The Commission should forward the contribution to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. If any of the companies listed on page 4 fails to pay in accordance with the terms of the Commission Order, that company's respective certificate should be canceled administratively.

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DOCKET NO. 001209-TI - Cancellation by Florida Public Service Commission of Interexchange Telecommunications Certificate No. 2994 issued to Network Plus, Inc. d/b/a Hale and Father, Inc. for violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.
DOCKET NO. 001242-TI - Cancellation by Florida Public Service Commission of Interexchange Telecommunications Certificate No. 3537 issued to Telco Billing, Inc. for violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.
DOCKET NO. 001283-TI - Cancellation by Florida Public Service Commission of Interexchange Telecommunications Certificate No. 5272 issued to Executive Business Centers, Inc. for violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.

(Continued from previous page)

Issue 2: Should these dockets be closed?

Recommendation: Yes. If the Commission approves staff's recommendation on Issue 1, the docket for each company listed on page 4 should be closed upon receipt of the \$100 contribution or cancellation of the certificate.

DECISION: The recommendations were approved.

Commissioners participating: Jacobs, Deason, Jaber, Baez, Palecki

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7**

DOCKET NO. 991157-TC - Cancellation by Florida Public Service Commission of Pay Telephone Certificate No. 5467 issued to KoinPhone Inc. for violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.

Critical Date(s): None

Commissioners Assigned: Full Commission
Prehrg Officer ADM

Staff: CMP: Isler
ADM: J. Knight
LEG: K. Peña, B. Keating

Issue 1: Should the Commission vacate that portion of Order No. PSC-99-2205-PAA-TC, which imposed a \$500 fine for the apparent violation of Rule 25-4.0161, Florida Administrative Code, Regulatory Assessment Fees; Telecommunications Companies, as it relates to KoinPhone Inc.?

Recommendation: Yes. The Commission should vacate that portion of Order No. PSC-99-2205-PAA-TC, which imposed a \$500 fine for the apparent violation of Rule 25-4.0161, Florida Administrative Code, Regulatory Assessment Fees; Telecommunications Companies, as it relates to KoinPhone Inc. In addition, the Commission should grant KoinPhone Inc. a retroactive cancellation date of December 31, 1997. Furthermore, the Comptroller's Office should be notified that KoinPhone Inc. is not responsible for the 1998 and 1999 RAFs so that collection action can be stopped.

Issue 2: Should this docket be closed?

Recommendation: Yes. If the Commission approves staff's recommendation in Issue 1, this docket should be closed.

DECISION: The recommendations were approved.

Commissioners participating: Jacobs, Deason, Jaber, Baez, Palecki

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8**PAA

DOCKET NO. 001254-TI - Cancellation by Florida Public Service Commission of Interexchange Telecommunications Certificate No. 4687 issued to CTN Telephone Network, Inc. for violation of Rules 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies, and 25-24.480(2)(a) and (b), F.A.C., Records & Reports; Rules Incorporated.

Critical Date(s): None

Commissioners Assigned: Full Commission
Prehrg Officer ADM

Staff: CMP: Isler
LEG: K. Peña

Issue 1: Should the Commission grant CTN Telephone Network, Inc. a voluntary cancellation of Certificate No. 4687?

Recommendation: No. The Commission should not grant the company a voluntary cancellation of its certificate. The Commission should cancel the company's Certificate No. 4687 on its own motion, effective on the date of issuance of the Consummating Order. The collection of the past due fees should be referred to the Office of the Comptroller for further collection efforts.

Issue 2: Should this docket be closed?

Recommendation: Yes. 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 issuance of the proposed agency action order. The docket should then be closed upon issuance of the Consummating Order.

DECISION: The recommendations were approved.

Commissioners participating: Jacobs, Deason, Jaber, Baez, Palecki

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DOCKET NO. 001495-TX - Cancellation by Florida Public Service Commission of Alternative Local Exchange Telecommunications Certificate No. 7254 issued to Miracle Communications for violation of Rules 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies, and 25-24.835, F.A.C., Rules Incorporated.

Critical Date(s): None

Commissioners Assigned: Full Commission
Prehrg Officer ADM

Staff: CMP: Isler
LEG: Elliott

Issue 1: Should the Commission accept the settlement offer proposed by Miracle Communications to resolve the apparent violation of Rule 25-4.0161, Florida Administrative Code, Regulatory Assessment Fees; Telecommunications Companies, and 25-24.835, Florida Administrative Code, Rules Incorporated?

Recommendation: Yes. The Commission should accept the company's settlement proposal. Any contribution should be received by the Commission within ten business days from the date of the Commission Order and should identify the docket number and company name. The Commission should forward the contribution to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. If the company fails to pay in accordance with the terms of the Commission Order, Certificate No. 7254 should be canceled administratively.

Issue 2: Should this docket be closed?

Recommendation: Yes. If the Commission approves staff's recommendation in Issue 1, this docket should be closed upon receipt of the \$200 contribution or cancellation of the certificate.

DECISION: The recommendations were approved.

Commissioners participating: Jacobs, Deason, Jaber, Baez, Palecki

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10**

DOCKET NO. 001373-TP - Request by BellSouth Telecommunications, Inc. for approval of amendment to resale agreement with GTE Communications Corporation (n/k/a Verizon Select Services Inc.)

Critical Date(s): None

Commissioners Assigned: Full Commission
Prehrg Officer ADM

Staff: CMP: Logue
LEG: Elliott

Issue 1: Should the Commission acknowledge BellSouth and Verizon's request for withdrawal of Request by BellSouth Telecommunications, Inc. For Approval of Amendment to Resale Agreement with GTE Communications Corporation (n/k/a Verizon Select Services Inc.) and close this docket?

Recommendation: Yes. The Commission should acknowledge BellSouth and Verizon's joint request for withdrawal of Request by BellSouth Telecommunications, Inc. For Approval of Amendment to Resale Agreement with GTE Communications(n/k/a Verizon Select Services Inc.) and close this docket.

DECISION: The recommendation was approved.

Commissioners participating: Jacobs, Deason, Jaber, Baez, Palecki

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11**

DOCKET NO. 001763-GU - Petition for authority to implement transportation cost recovery mechanism to facilitate recovery of certain purchased gas costs incurred in providing service to certain customers prior to 1/1/01, by Florida Division of Chesapeake Utilities Corporation.

Critical Date(s): 2/6/01 (60-day suspension date)

Commissioners Assigned: Full Commission
Prehrg Officer ADM

Staff: CMP: Makin, Bulecza-Banks
LEG: K. Walker

Issue 1: Should the Commission grant the Florida Division of Chesapeake Utilities' petition for authority to implement Transportation Cost Recovery mechanism to facilitate recovery of certain purchased gas cost incurred in providing service to certain customers prior to January 1, 2001?

Recommendation: Yes. The Commission should approve the Florida Division of Chesapeake Utilities' petition for authority to implement Transportation Cost Recovery mechanism to facilitate recovery of certain purchased gas cost incurred in providing service to certain customers prior to January 1, 2001, effective January 16, 2001.

Issue 2: Should this docket be closed?

Recommendation: Yes. If no protest is filed by a person whose substantial interests are affected within 21 days of the issuance of the Order, this docket should be closed upon the issuance of a Consummating Order.

DECISION: The recommendations were approved.

Commissioners participating: Jacobs, Deason, Jaber, Baez, Palecki

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ITEM NO.

CASE

12**PAA

DOCKET NO. 000295-WU - Application for increase in water rates in Highlands County by Placid Lakes Utilities, Inc.

Critical Date(s): 1/16/01 (5-month effective date)

Commissioners Assigned: Full Commission
Prehrg Officer JB

Staff: ECR: Binford, Munroe, Lingo, Maurey, Merchant,
Crouch
LEG: Brubaker

(ALL ISSUES PROPOSED AGENCY ACTION EXCEPT ISSUE 21.)

Issue 1: Is the quality of service provided by Placid Lakes to its customers satisfactory?

Recommendation: Yes. Staff recommends that the quality of service provided by Placid Lakes is satisfactory.

Issue 2: Should a year-end or simple average test year be recognized for ratemaking purposes?

Recommendation: A simple average should be used for both rate base and cost of capital. Also, adjustments should be made to remove the utility's year-end adjustments to annualize revenues, depreciation expense, and taxes other than income.

Issue 3: What adjustments should be made to reflect pro forma plant?

Recommendation: Utility plant in service should be increased by \$11,865 to reflect pro forma plant. Corresponding adjustments to increase accumulated depreciation by \$297, to increase depreciation expense by \$593, and to increase taxes other than income for property/real estate tax by \$214 should be made.

Issue 4: Should capitalized interest on construction work in progress (CWIP) be allowed?

Recommendation: No. The utility capitalized interest on construction related to a plant expansion without a Commission-approved allowance-for-funds-used-during-construction (AFUDC) rate. Plant should be decreased by \$45,333, with corresponding adjustments made to decrease accumulated depreciation by \$3,857 and depreciation expense by \$1,543.

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12**PAA

DOCKET NO. 000295-WU - Application for increase in water rates in Highlands County by Placid Lakes Utilities, Inc.

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Issue 5: Should the used and useful be adjusted to allow for excessive unaccounted for water?

Recommendation: No, the unaccounted for water falls well within the acceptable limit.

Issue 6: What are the used and useful percentages for the water treatment plant and water distribution system?

Recommendation: The water treatment plant should be considered 100% used and useful. The distribution system should be considered 76.37% used and useful. As a result, rate base should be decreased by \$31,432, with corresponding decreases to depreciation expense of \$1,120 and property taxes of \$239.

Issue 7: What is the appropriate working capital?

Recommendation: The appropriate amount of working capital is \$36,537 for the water system.

Issue 8: What is the appropriate rate base?

Recommendation: The appropriate rate base for the test year ended December 31, 1999 is \$562,673 for the water system.

Issue 9: What is the weighted average cost of capital including the proper components, amounts, and cost rates associated with the appropriate capital structure?

Recommendation: The weighted average cost of capital is 10.50% for the test year ended December 31, 1999. Although the utility's capital structure is comprised of 100% debt, staff recommends a return on equity of 9.93% with a range of plus or minus 100 basis points.

Issue 10: Should the utility be allowed an AFUDC rate and, if so, what should it be?

Recommendation: The Commission should approve an AFUDC rate of 10.50% and a monthly discounted rate of 0.874579% effective January 1, 2000, based on the December 31, 1999 capital structure approved in this docket.

Issue 11: Should adjustments be made to O&M expenses to reflect several miscellaneous adjustments?

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CASE

12**PAA

DOCKET NO. 000295-WU - Application for increase in water rates in Highlands County by Placid Lakes Utilities, Inc.

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Recommendation: Yes, O&M expenses should be decreased by \$821 to reflect several miscellaneous adjustments.

Issue 12: What is the appropriate amount of rate case expense?

Recommendation: The appropriate amount of rate case expense for this docket is \$84,393. This expense is to be recovered over four years for an annual expense of \$21,098. This results in a decrease to the utility's filing of \$17,476 in annual amortization. Further, non-recurring costs should be increased by \$6,919, contractual services-legal should be increased by \$1,452, and management fees should be decreased by \$2,351.

Issue 13: Should an additional adjustment be made to property taxes?

Recommendation: Yes. Property taxes should be decreased by \$535 for the water system to reflect the full discount available.

Issue 14: Should income tax expense be included in Placid Lakes' operating expenses?

Recommendation: No. Since the utility's capital structure consists of 100% debt, no taxable income exists and thus the utility should not receive recovery of income tax expense.

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

Recommendation: The test year operating loss is \$101,955 for the water system.

Issue 16: What is the appropriate revenue requirement?

Recommendation: The following revenue requirement should be approved:

	<u>Revenues</u>	<u>Increase</u>	<u>Percentage</u>
Water	\$417,316	\$168,624	67.80%

Issue 17: Should the utility's current rate structure be changed to an inclining-block rate structure, and, if so, what are the appropriate usage blocks, conservation adjustment and rate factors to be used?

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12**PAA

DOCKET NO. 000295-WU - Application for increase in water rates in Highlands County by Placid Lakes Utilities, Inc.

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Recommendation: Yes. The rate structure should be changed to an inclining-block rate structure for residential customers. The appropriate monthly usage blocks consist of three tiers of 0-10,000 gallons, 10,001-20,000 gallons and over 20,000 gallons. A conservation adjustment of 25% is appropriate, with usage block rate factors for each tier of 1.0, 1.5 and 2.0, respectively. The appropriate rate structure for the general service customers is a continuation of the traditional base facility and uniform gallonage charge rate structure.

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

Recommendation: Yes, repression of consumption is likely to occur. The appropriate repression adjustment is a reduction in consumption of 8,655 kgal, and the resulting consumption to be used to calculate consumption charges is 97,397 kgal. In order to monitor the effects of this rate proceeding on consumption, the utility should be ordered to prepare monthly reports detailing the number of bills rendered, the consumption billed (by usage block for residential customers) and the revenue billed. These reports should be provided, by customer class and meter size, on a quarterly basis for a period of two years, beginning with the first billing period after the increased rates go into effect.

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

Recommendation: The recommended rates, as shown on Schedule No. 4 of staff's January 4, 2001 memorandum, should be designed to produce revenues of \$415,622, excluding miscellaneous service charge revenues. The utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates

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CASE

12**PAA

DOCKET NO. 000295-WU - Application for increase in water rates in Highlands County by Placid Lakes Utilities, Inc.

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should be effective for service rendered on or after the stamped approval date on the revised tariff sheets pursuant to Rule 25-30.475(1), Florida Administrative Code. The rates should not be implemented until staff has approved the proposed customer notice, and the notice has been received by the customers. The utility should provide proof of the date notice was given no less than 10 days after the date of the notice.

Issue 20: Should any portion of the interim increase granted be refunded?

Recommendation: No. The utility should not be required to refund any water revenues collected under interim rates. The revenue held subject to refund and the letter of credit, required by Order No. PSC-00-1891-PCO-WU guaranteeing those revenues, should be released.

Issue 21: Should the utility be required to show cause, in writing within 21 days, why it should not be fined up to \$5,000 per day for its apparent violation of Rule 25-30.116(5), Florida Administrative Code, for failing to obtain prior Commission approval before capitalizing interest on construction related to the utility's plant expansion loan?

Recommendation: No. A show cause proceeding should not be initiated.

Issue 22: Should this docket be closed?

Recommendation: Yes. If no timely protest is received upon expiration of the protest period, the PAA Order will become final upon the issuance of a Consummating Order and the docket should be closed upon the utility's filing and staff's approval of revised tariff sheets.

DECISION: The recommendations were approved.

Commissioners participating: Jacobs, Deason, Jaber, Baez, Palecki

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CASE

13**PAA

DOCKET NO. 000580-WU - Application for staff-assisted rate case in Polk County by Keen Sales, Rentals and Utilities, Inc. (Alturas Water Works).

Critical Date(s): 10/12/01 (15-month effective date)

Commissioners Assigned: Full Commission
Prehrg Officer BZ

Staff: ECR: Rendell, Butts, Lingo, Munroe
LEG: VanLeuven

(ALL ISSUES PROPOSED AGENCY ACTION EXCEPT ISSUES 17, 18, AND 19.)

Issue 1: Is the quality of service provided by Alturas satisfactory?

Recommendation: Yes. The quality of service provided by Alturas is satisfactory.

Issue 2: Are any pro forma adjustments needed for the Alturas plant?

Recommendation: Yes. Pro forma adjustments are needed for continuation of the meter replacement program (\$3,940), replacement of the hydropneumatic tank (\$17,200), and construction of a plant security fence (\$1,270). The total pro forma cost is \$22,410, and all pro forma plant improvements should be completed within six months of the effective date of the Order.

Issue 3: Should the Commission approve a year end rate base for Alturas and, if so, what is the appropriate year end rate base?

Recommendation: Yes. The Commission should approve a year end rate base for Alturas to allow it an opportunity to earn a fair return on the utility's investment made prior to the test year, to earn a fair rate of return on the pro forma plant improvements, and to insure compensatory rates in this rate case.

Issue 4: Should the company have any excessive unaccounted for water recognized in the used and useful calculation?

Recommendation: No. Although any amount over 10% of the water pumped and unaccounted for is considered excessive, in this situation the water is not being lost due to leaks, but due to old, slow meters. Because the customers are

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13**PAA

DOCKET NO. 000580-WU - Application for staff-assisted rate case in Polk County by Keen Sales, Rentals and Utilities, Inc. (Alturas Water Works).

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receiving this water, the water is only lost for billing purposes.

Issue 5: What portions of the water plant and distribution system are used and useful?

Recommendation: The water treatment plant should be considered 100% used and useful. The water distribution system should also be considered 100% used and useful.

Issue 6: Should an acquisition adjustment be approved in the determination of the utility's rate base at the date of purchase?

Recommendation: No. An acquisition adjustment should not be approved in the determination of the utility's rate base at the date of purchase.

Issue 7: What is the appropriate allocation of common costs from Keen to Alturas?

Recommendation: The appropriate allocation from Keen to Alturas is 11.68%.

Issue 8: What is the appropriate year end rate base?

Recommendation: The appropriate year end rate base should be \$30,217.

Issue 9: What is the appropriate rate of return on equity and the appropriate overall rate of return for this utility?

Recommendation: The appropriate rate of return on equity should be 9.94% with a range of 8.94% to 10.94% and the appropriate overall rate of return should be 7.91% with a range of 7.83% to 7.99%.

Issue 10: What is the appropriate test year revenue for this utility?

Recommendation: The appropriate test year revenue should be \$13,419.

Issue 11: What is the appropriate amount of operating expenses for rate setting purposes?

Recommendation: The appropriate amount of operating expenses for rate making purposes should be \$23,472.

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Issue 12: What is the appropriate revenue requirement for this system?

Recommendation: The appropriate revenue requirement should be \$25,862 for the test year.

Issue 13: Is a continuation of the utility's current rate structure for its water system appropriate in this case, and, if not, what is the appropriate rate structure?

Recommendation: No. A continuation of the utility's current rate structure for its water system is not appropriate in this case. The rate structure should be changed to a traditional BFC/gallonge charge rate structure by removing the 3,000 gallon allotment; a 40% conservation adjustment should also be implemented.

Issue 14: Is an adjustment to reflect repression of residential consumption appropriate due to the change in rate structure and price increase in this case, and, if so, what is the appropriate repression adjustment?

Recommendation: Yes. A repression adjustment of 676 kgal to residential consumption is appropriate. In order to monitor the effects of both the change in rate structure and the recommended revenue increase, the utility should be ordered to prepare monthly reports detailing the number of bills rendered, the consumption billed and the revenue billed. These reports should be provided, by customer class and meter size, on a quarterly basis for a period of two years, beginning with the first billing period after the increased rates go into effect.

Issue 15: What are the appropriate rates for this utility?

Recommendation: The recommended rates should be designed to produce revenue of \$25,862. The utility should maintain its base facility and gallonge charge rate structure with the exception that no gallons be included in the BFC. Once approved, the rates should be effective for service rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), Florida Administrative Code. The rates should not be implemented until notice has been

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received by the customers. The utility should provide proof of the date notice was given within 10 days after the date of the notice.

Issue 16: What are the appropriate customer deposits for this utility?

Recommendation: The appropriate customer deposits should be the recommended charges specified in the analysis portion of staff's January 4, 2001 memorandum. The utility should file revised tariff sheets which are consistent with the Commission's vote. Staff should be given administrative authority to approve the revised tariff sheets upon staff's verification that the tariffs are consistent with the Commission's decision. If revised tariff sheets are filed and approved, the customer deposits should become effective for connections made on or after the stamped approval date of the revised tariff sheets, if no protest is filed.

Issue 17: Should the recommended rates be approved for the utility on a temporary basis in the event of a timely protest filed by a party other than the utility?

Recommendation: Yes, the recommended rates should be approved for the utility on a temporary basis in the event of a timely protest filed by a party other than the utility. The utility should be authorized to collect the temporary rates after staff's approval of the security for potential refund, the proposed customer notice, and the revised tariff sheets.

Issue 18: Should the utility be required to show cause, in writing within 21 days, why it should not be fined up to \$5,000 per day for its apparent violation of Rule 25-30.115, Florida Administrative Code, for its failure to maintain its books and records in conformance with the National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts (USOA)?

Recommendation: No. A show cause proceeding should not be initiated. However, the utility should be ordered to maintain its books and records in conformance with the 1996

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NARUC USOA and submit a statement from its accountant by March 31, 2001, along with its 2000 annual report, stating that its books are in conformance with the NARUC USOA and reconciled with the Commission Order. Further, staff recommends that the utility reflect each of its systems as an independent company rather than commingling them in its annual report.

Issue 19: Should this docket be closed?

Recommendation: No. If no timely protest is received upon expiration of the protest period, the PAA Order will become final and effective upon the issuance of a Consummating Order. However, this docket should remain open for an additional six months from the effective date of the Order to allow staff to verify that the utility has installed its recommended pro forma plant. Once staff has verified that this work has been completed, the docket should be closed administratively.

DECISION: The recommendations were approved.

Commissioners participating: Jacobs, Deason, Jaber, Baez, Palecki

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14**PAA	<p>DOCKET NO. 000768-GU - Request for rate increase by City Gas Company of Florida.</p> <p>Critical Date(s): 1/25/01 (5-month statutory deadline)</p> <p>Commissioners Assigned: Full Commission Prehrg Officer JC</p> <p>Staff: ECR: Revell, Brinkley, Wheeler, Springer, D. Draper, Kummer, Lester, C. Romig, L. Romig, Slemkewicz, Stallcup CMP: Makin LEG: Stern</p> <p><u>Issue 1</u>: Is City's quality of service adequate? <u>Recommendation</u>: Yes. City's quality of service is satisfactory.</p> <p><u>Issue 2</u>: Is City's test year request for permanent rate relief based on a historical test period ending September 30, 1999, and a projected test period ending September 30, 2001, appropriate? <u>Recommendation</u>: Yes. With the adjustments recommended by staff in the following issues, the 1999 and 2001 test years are appropriate.</p> <p><u>Issue 3</u>: Are the customer growth and them forecasts by rate class appropriate? <u>Recommendation</u>: No. The test year customer and them forecasts by rate class should be adjusted by \$1,866,852 to reflect the effect of annualizing customer and them growth associated with the Clewiston Pipeline Expansion Project.</p> <p><u>Issue 4</u>: Should an adjustment be made for the Clewiston Pipeline Expansion Project? <u>Recommendation</u>: Yes. Plant in Service should be increased by \$13,355,569, Construction Work In Progress (CWIP) should be reduced by \$5,232,615, Depreciation Expense should be increased by \$418,278, and Accumulated Depreciation should be increased by \$272,832. In addition, Revenues should be increased by \$1,866,852.</p> <p><u>Issue 5</u>: Should an adjustment be made to Plant, Accumulated Depreciation, and Depreciation Expense for canceled and delayed projects?</p>

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Recommendation: Yes. CWIP should be reduced \$35,000; Plant in Service should be reduced \$465,675; Accumulated Depreciation should be reduced \$12,254; and Depreciation Expense should be reduced \$14,228.

Issue 6: Should the GDU acquisition adjustment be approved?

Recommendation: Yes. The GDU acquisition adjustment should be approved.

Issue 7: Should the Vero Beach lateral acquisition adjustment be approved?

Recommendation: Yes. The Vero Beach lateral acquisition adjustment should be approved.

Issue 8: Should the Homestead lateral acquisition adjustment be approved?

Recommendation: Yes. The Homestead lateral acquisition adjustment should be approved.

Issue 9: Should an adjustment be made to plant retirements for the projected test year?

Recommendation: No adjustment is necessary for the plant retirements in the projected test year.

Issue 10: Should rate base be reduced to remove inactive service lines that have been inactive for more than five years?

Recommendation: No rate base adjustment is necessary to remove service lines that have been inactive for more than five years.

Issue 11: Should an adjustment be made to Plant, Accumulated Depreciation, Depreciation Expense, and CWIP to reflect non-utility operations?

Recommendation: Yes. Plant should be increased \$112,469, Accumulated Depreciation should be increased \$98,561, Depreciation Expense should be increased \$32,651, and CWIP should be decreased \$24,635 to reflect non-utility operations.

Issue 12: Should an adjustment be made to Plant, Accumulated Depreciation and Depreciation Expense for Corporate allocations by NUI Corporation to City?

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Recommendation: Yes. Plant, Depreciation Reserve, and Depreciation Expense should be reduced \$243,427, \$97,107, and \$35,549, respectively for non-utility operations.

Issue 13: What is the appropriate amount of CWIP for the projected test year?

Recommendation: The appropriate amount of CWIP for the projected test year based on staff adjustments is \$1,417,684.

Issue 14: What is the appropriate projected test year Total Plant?

Recommendation: The appropriate amount of Total Plant for the projected test year is \$185,784,407.

Issue 15: What is the appropriate projected test year Depreciation Reserve?

Recommendation: The appropriate projected test year Depreciation Reserve is \$68,397,507.

Issue 16: Should an adjustment be made to allocate Working Capital to reflect non-utility operations and corporate allocations?

Recommendation: Yes. Working Capital should be decreased \$285,455 to reflect non-utility operations.

Issue 17: Should an adjustment be made to "Project Development Costs"?

Recommendation: Yes. Working Capital should be increased by \$40,584 and expenses should be reduced by \$81,167. In addition, the Company should be directed to establish specific guidelines for determining which expenses should be capitalized and for determining when a project should be considered abandoned and when the associated accumulated capitalized expenses should be charged to operating expenses.

Issue 18: What is the appropriate projected test year Working Capital Allowance?

Recommendation: The appropriate projected test year Working Capital is \$3,543,416.

Issue 19: What is the appropriate projected test year Rate Base?

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Recommendation: The appropriate projected test year Rate Base is \$120,930,316.

Issue 20: What is the appropriate cost rate of City's common equity for the projected test year?

Recommendation: The appropriate cost rate for City's common equity for the projected test year is 11.5%, with a range of plus or minus 100 basis points.

Issue 21: What is the appropriate amount of accumulated deferred taxes to include in the capital structure?

Recommendation: The appropriate amount of accumulated deferred taxes to include in the capital structure is \$10,488,832.

Issue 22: What is the appropriate amount and cost rate of the unamortized investment tax credits to include in the capital structure?

Recommendation: The appropriate amount of unamortized investment tax credits (ITCs) to include in the capital structure is \$883,654. The appropriate cost rate is zero.

Issue 23: Has FAS 109 been appropriately reflected in the capital structure, such that it is revenue neutral?

Recommendation: Yes. FAS 109 has been appropriately reflected in the capital structure, such that it is revenue neutral.

Issue 24: What is the appropriate capital structure for City Gas?

Recommendation: The appropriate capital structure for City should be based on NUI Utilities, Inc.'s capital structure for investor sources. Amounts for customer deposits, deferred taxes, and ITCs should be specifically identified at the City level.

Issue 25: What is the appropriate weighted average cost of capital for the projected test year?

Recommendation: The appropriate weighted average cost of capital for the projected test year is ~~7.85%~~ **7.88%**.

Issue 26: Has City properly removed PGA Revenues, expenses, and taxes-other from the projected test year?

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Recommendation: Yes, the Company has properly removed PGA Revenues, expenses and taxes - other from the projected test year.

Issue 27: Has City properly removed conservation revenues, expenses, and taxes-other from the projected test year?

Recommendation: Yes, the Company properly removed conservation revenues, expenses and taxes - other from the projected test year.

Issue 28: What is the appropriate amount of projected test year total Operating Revenues?

Recommendation: The appropriate level of projected test year total Operating Revenues is \$35,441,489.

Issue 29: Should an adjustment be made for the gain on sale of the Medley property?

Recommendation: Yes. Projected test year working capital should be reduced by \$48,148, and expenses should be reduced by \$36,111 to amortize the gain on the sale of the Medley property.

Issue 30: Has the Company properly allocated expenses between regulated and non-regulated operations?

Recommendation: No. Expenses should be reduced \$267,871 for non-utility operations. A non-utility adjustment for Account 923, Outside Services, in the amount of \$506,017, which includes NUI corporate services, is recommended in Issue 38.

Issue 31: Should an adjustment be made to expenses for certain memberships, dues, and charitable contributions?

Recommendation: Yes, 1999 expense should be reduced \$4,685 and projected expenses should be reduced \$4,970.

Issue 32: Should an adjustment be made to employee insurance and benefits?

Recommendation: Yes. Expenses in Account 926, Employee Pensions and Benefits, should be increased by \$357,075. Additionally, Plant in Service should be increased \$31,910.

Issue 33: What is the appropriate amount of rate case expense and what is the appropriate amortization period for that expense?

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Recommendation: ~~Based on the latest information provided by the Company, t~~ The appropriate amount of rate case expense is ~~\$199,456~~ **\$339,905**, amortized over four years.

Issue 34: Should an adjustment be made to bad debt expense?

Recommendation: Yes, bad debt expense should be reduced \$297,441.

Issue 35: Should an adjustment be made for late fees related to leased vehicles?

Recommendation: Yes, expenses should be reduced \$3,540 in the test year and \$3,775 in the projected test year.

Issue 36: Should meter turn ons, turn offs expenses be reduced?

Recommendation: Yes, projected test year expenses should be reduced \$217,910 for duplication of expenses.

Issue 37: Should an adjustment be made to remove duplicative O&M expenses?

Recommendation: Yes. O&M expenses should be reduced \$276,708 to eliminate duplicative expenses.

Issue 38: Should an adjustment be made to Account 923, Outside Services?

Recommendation: Yes. Account 923 should be reduced \$506,017 for non-utility operations and \$40,328 for duplicative expenses.

Issue 39: Should an adjustment be made to the various expense accounts for the Call Center?

Recommendation: Yes. An adjustment should be made to reduce expenses related to the Call Center by \$31,888.

Issue 40: Are the trend rates used by City to calculate projected O&M expenses appropriate?

Recommendation: Yes. The trend rates used by the Company are appropriate.

Issue 41: Has City used the appropriate trend basis for each O&M account?

Recommendation: Yes. The Company has used the appropriate trend basis for each account.

Issue 42: Should the projected test year O&M expense be adjusted for the effect of any changes to the trend factors?

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Recommendation: No. Projected test year O&M expenses should not be adjusted for changes to the trend factors.

Issue 43: Should an adjustment be made for odorizing costs?

Recommendation: Yes, projected test year expenses should be reduced \$7,286 to amortize the prepaid odorant costs over two and one half years.

Issue 44: What is the appropriate amount of projected test year O&M Expense?

Recommendation: The appropriate amount of projected test year O&M expense is ~~\$18,142,658~~ **\$18,177,770**.

Issue 45: What is the appropriate amount of projected test year Depreciation and Amortization Expense?

Recommendation: The appropriate amount of projected test year Depreciation and Amortization Expense is \$7,332,329.

Issue 46: What is the appropriate amount of Taxes Other Than Income Taxes?

Recommendation: The appropriate amount of Taxes Other is \$2,484,259.

Issue 47: What is the appropriate Income Tax Expense, including current and deferred income taxes and interest reconciliation?

Recommendation: The appropriate Income Tax Expense, including current and deferred income taxes, and interest reconciliation is ~~\$1,069,487~~ **\$1,072,507**.

Issue 48: What is the appropriate level of Total Operating Expenses for the projected test year?

Recommendation: The appropriate level of total operating expenses for the projected test year is ~~\$29,028,732~~ **\$29,066,864**.

Issue 49: What is the appropriate amount of projected test year Net Operating Income?

Recommendation: The appropriate amount of projected test year Net Operating Income is ~~\$6,412,757~~ **\$6,374,625**.

Issue 50: What is the appropriate projected test year revenue expansion factor to be used in calculating the revenue deficiency including the appropriate elements and rates?

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Recommendation: The appropriate revenue expansion factor is 1.6269.

Issue 51: What is the appropriate projected test year revenue deficiency?

Recommendation: The appropriate projected test year revenue deficiency is ~~\$5,011,296~~ **\$5,132,356**.

Issue 52: Should any portion of the \$1,640,777 interim increase granted by Order No. PSC-00-2101-PCO-GU, issued November 6, 2000, be refunded to customers?

Recommendation: No portion of the \$1,640,777 interim revenue increase should be refunded.

Issue 53: Should City be required to submit, within 60 days after the date of the PAA Order in this docket, a description of all entries or adjustments to its future annual reports, rate of return reports, published financial statements, and books and records that will be required as a result of the Commission's findings in this rate case?

Recommendation: Yes. The utility should be required to fully describe the entries and adjustments that will be either recorded or used in preparing reports submitted to the Commission.

Issue 54: What are the appropriate billing determinants to be used in the projected test year?

Recommendation: The appropriate billing determinants to be used in the projected test year are indicated on Attachment No. 6, page 15 of staff's January 25, 2001 memorandum.

Issue 55: What is the appropriate cost of service methodology to be used in allocating costs to the various rate classes?

Recommendation: Staff's cost of service methodology adjusted for adjustments made to rate base, operations and maintenance expense, and net operating income.

Issue 56: If any revenue increase is granted, what are the appropriate rates and charges for City resulting from the allocation of the increase among customer classes?

Recommendation: The rates and charges are detailed on Attachment No. 7 of staff's memorandum.

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Issue 57: What is the appropriate effective date for any new rates and charges approved by the Commission?

Recommendation: All new rates and charges should become effective for meter readings on or after 30 days from the date of the vote approving the rates and charges.

Issue 58: 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.

DECISION: The recommendations were approved with minor changes to be made by staff to Issue 11 as a result of revisions to other issues in this item.

Commissioner Palecki recused himself from participation in this matter.

Commissioners participating: Jacobs, Deason, Jaber, Baez, Palecki

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CASE

15**PAA

DOCKET NO. 010005-WS - Annual reestablishment of price increase or decrease index of major categories of operating costs incurred by water and wastewater utilities pursuant to Section 367.081(4)(a), F.S.

Critical Date(s): 3/21/01 (Statutory reestablishment deadline)

Commissioners Assigned: Full Commission
Prehrg Officer ADM

Staff: ECR: Moniz
LEG: Cibula

Issue 1: Which index should be used to determine price level adjustments?

Recommendation: The Gross Domestic Product Implicit Price Deflator Index is recommended for use in calculating price level adjustments. Staff recommends calculating the 2001 price index by using a fiscal year, four quarter comparison of the Implicit Price Deflator Index ending with the third quarter 2000.

Issue 2: What percentage should be used by water and wastewater utilities for the 2001 Price Index?

Recommendation: The 2001 Price Index for water and wastewater utilities should be 2.50%.

Issue 3: How should the utilities calculate and provide annualized revenues for indexing purposes?

Recommendation: The utilities should utilize Form PSC/WAW 15 (4/99).

Issue 4: How should the utilities be informed of the indexing requirements?

Recommendation: The Division of Records and Reporting should be directed to mail each regulated water and wastewater utility a copy of the PAA order establishing the index which will contain the information presented in Form PSC/WAW 15 (4/99) and Appendix "A" (Attachment 1 of staff's January 4, 2001 memorandum). A cover letter from the Director of the Division of Economic Regulation should be included with the mailing of the order.

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15**PAA	DOCKET NO. 010005-WS - Annual reestablishment of price increase or decrease index of major categories of operating costs incurred by water and wastewater utilities pursuant to Section 367.081(4)(a), F.S.

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Issue 5: Should this docket be closed?

Recommendation: Yes. This docket should be closed upon the issuance of the Consummating Order if no substantially affected person files a timely protest within the 14-day protest period after issuance of the PAA Order. Any party filing a protest should be required to prefile testimony with the protest.

DECISION: The recommendations were approved with a modification to Issue 4 made to letter (Attachment 2) by staff at the conference.

Commissioners participating: Jacobs, Deason, Jaber, Baez, Palecki

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CASE

16**

DOCKET NO. 001748-EC - Petition for determination of need for the Osprey Energy Center in Polk County by Seminole Electric Cooperative and Calpine Construction Finance Company, L.P.

Critical Date(s): 3/8/01 (Petition deemed approved if not granted or denied within 90 days of receipt.)

Commissioners Assigned: Full Commission
Prehrg Officer JB

Staff: LEG: Isaac, Elias
CMP: Makin
ECR: Lester, Stallcup
SER: Harlow, Bohrmann, Breman, Haff

Issue 1: Should the Commission grant Calpine Construction Finance Company L.P.'s (Calpine's) request for a determination that Rule 25-22.082(2), Florida Administrative Code (the Bidding Rule), does not apply to Calpine or the Osprey Energy Center?

Recommendation: Yes. The Commission should grant Calpine's petition for a Determination that Rule 25-22.082(2), Florida Administrative Code, does not apply to Calpine or the Osprey Energy Center. The Bidding Rule is not applicable to Seminole Electric Cooperative, Inc., which is contracting to purchase the output of the Project.

PAA

Issue 2: Should the Commission grant Calpine's alternative request for a waiver of Rule 25-22.082(2), Florida Administrative Code?

Recommendation: If the Commission approves staff's recommendation in Issue 1, this issue is moot. As discussed in Issue 1, given that Calpine and Seminole are joint applicants for the petition, staff believes the Bidding Rule is not applicable, given Seminole's status as a cooperative utility. However, if the Commission denies staff's recommendation for Issue 1, staff does not believe Calpine has met the standards for approval of the rule waiver request.

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DOCKET NO. 001748-EC - Petition for determination of need for the Osprey Energy Center in Polk County by Seminole Electric Cooperative and Calpine Construction Finance Company, L.P.

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Issue 3: Should this docket be closed?

Recommendation: No. This docket is scheduled for hearing. Staff is recommending that Issue 2 is moot if staff's recommendation for Issue 1 is approved. However, if the Commission votes on Issue 2, the proposed agency action will become final upon issuance of a consummating order if no person whose substantial interests are affected files a timely protest.

DECISION: The recommendations were approved. There was no vote taken on Issue 2.

Commissioners participating: Jacobs, Deason, Jaber, Baez, Palecki

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CASE

17**PAA

DOCKET NO. 001518-TI - Request by Zone Telecom, Inc., indirect wholly owned subsidiary of e-Kong Group Limited, for approval to acquire selected assets of The Furst Group, Inc. (holder of IXC Certificate No. 3171), and request for variance or waiver of rules.

Critical Date(s): None

Commissioners Assigned: Full Commission
Prehrg Officer BZ

Staff: RGO: T. Williams
LEG: Elliott

Issue 1: Should Zone Telecom, Inc.'s request for approval to acquire selected assets from The Furst Group, Inc. be approved?

Recommendation: Yes.

Issue 2: Should Zone Telecom, Inc. be relieved in this instance of the interexchange carrier selection requirements of Rule 25-4.118, Florida Administrative Code?

Recommendation: Yes.

Issue 3: Should this docket be closed?

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

DECISION: The recommendations were approved.

Commissioners participating: Jacobs, Deason, Jaber, Baez, Palecki

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18	<p>DOCKET NO. 991643-SU - Application for increase in wastewater rates in Seven Springs System in Pasco County by Aloha Utilities, Inc.</p> <p>Critical Date(s): 12/4/00 (8-month statutory deadline) 4/4/01 (12-month deadline)</p> <p>Hearing Date(s): 9/18/00, Talla., Prehrg., JB 10/2 & 3/00, New Port Richey, JC JB BZ 11/2/00, Talla., JC JB BZ</p> <p>Commissioners Assigned: JC JB BZ Prehrg Officer JB</p> <p>Staff: ECR: Fletcher, Binford, Wetherington, Crouch, Lingo, Willis LEG: Fudge, Jaeger</p> <p><u>Issue 1</u>: Is the quality of service satisfactory? <u>Recommendation</u>: Yes. Staff recommends that the quality of service provided by Aloha Utilities, Inc. at its Seven Springs Wastewater Treatment Plant is satisfactory.</p> <p><u>DECISION</u>: The recommendation was approved.</p> <p><u>Issue 2</u>: Are the proposed modifications and expansion of the Aloha wastewater treatment plant prudent and justified? <u>Recommendation</u>: Yes. The proposed modifications and expansion of the treatment plant are prudent and justified.</p> <p><u>DECISION</u>: The recommendation was approved.</p> <p><u>Issue 3</u>: Are the costs of the utility's infiltration and inflow (I&I) reduction program prudent? <u>Recommendation</u>: Yes. The costs of the utility's I&I reduction program are prudent.</p> <p><u>DECISION</u>: The recommendation was approved.</p> <p><u>Issue 4</u>: Should the utility be allowed to capitalize invoices previously expensed?</p>

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18	DOCKET NO. 991643-SU - Application for increase in wastewater rates in Seven Springs System in Pasco County by Aloha Utilities, Inc.

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Recommendation: No. The capitalization of these previously expensed items would constitute double recovery and should be disallowed. Thus, the Seven Springs wastewater system's plant should be reduced by \$127,232 and accumulated depreciation should be reduced by \$73,211. Depreciation expense should also be reduced by \$6,675.

DECISION: The recommendation was approved.

Issue 5: Should the Commission consider the new office building cost for the utility in this rate proceeding?

Recommendation: No. Based on the evidence in the record, staff cannot determine that the purchase of the building was the most cost effective alternative. As such, staff recommends that all the requested costs associated with the purchase of the building should not be considered in this rate proceeding.

DECISION: The recommendation was approved.

Issue 6: Does Aloha have excessive infiltration and inflow?

Recommendation: Aloha does not have excessive I&I.

DECISION: The recommendation was approved.

Issue 7: What is the used and useful percentage of the wastewater treatment plant and the wastewater collection system?

Recommendation: Staff recommends that the wastewater treatment plant and the wastewater collection system are both 100% U&U.

DECISION: The recommendation was approved.

Issue 8: Should a used and useful adjustment be applied to the reuse facilities?

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Recommendation: No. Section 367.0817(3), Florida Statutes, requires that "all prudent costs of a reuse project shall be recovered in rates."

DECISION: The recommendation was approved.

Issue 9: Are any adjustments necessary to test year CIAC and accumulated amortization of CIAC for changes in projection methodology?

Recommendation: Consistent with staff's recommendation in Issue 18, CIAC and accumulated amortization of CIAC should be increased by \$7,387 and \$273, respectively.

DECISION: The recommendation was approved.

Issue 10: What is the appropriate regulatory treatment of contributed taxes (CTs) and accumulated deferred income taxes?

Recommendation: Consistent with staff's recommendation in Issue 32, staff recommends that the September 30, 2001, 13-month average test year should be adjusted as follows: 1) CTs of \$1,544,865 for the Seven Springs wastewater system should be reflected as CIAC and included in rate base; 2) the amortization of these CTs of \$295,878 should be reflected as accumulated amortization of CIAC and also included in rate base; 3) the Seven Springs wastewater system's U&U debit deferred income taxes of \$1,084,985 should be offset with its U&U credit deferred income taxes of \$578,619; 4) the net debit balance of \$506,367 should be included as an addition item to rate base for the Seven Springs wastewater system. Staff also recommends that credit deferred income taxes of \$770,040 should be removed from the capital structure.

DECISION: The recommendation was approved.

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18	<p>DOCKET NO. 991643-SU - Application for increase in wastewater rates in Seven Springs System in Pasco County by Aloha Utilities, Inc.</p> <p>(Continued from previous page)</p> <p><u>Issue 11</u>: Should the cash operating account balance be removed from the working capital calculation? <u>Recommendation</u>: No. The cash operating account balance should be included in the working capital calculation.</p> <p><u>DECISION</u>: The recommendation was approved.</p> <p><u>Issue 12</u>: Are any adjustments necessary to the working capital allowance for rate case expense? <u>Recommendation</u>: Yes. Working capital should be adjusted to reflect the average unamortized balance of rate case expense approved by the Commission.</p> <p><u>DECISION</u>: The recommendation was approved.</p> <p><u>Issue 13</u>: What is the appropriate working capital allowance? <u>Recommendation</u>: The issue is a fall-out of Issues 11, 12, 18, and 31. The appropriate working capital allowance for the utility's Seven Springs wastewater system is \$546,232.</p> <p><u>DECISION</u>: The recommendation was approved.</p> <p><u>Issue 14</u>: What is the appropriate projected rate base? <u>Recommendation</u>: Consistent with other recommended adjustments, the appropriate projected rate base for the 13-month average is \$9,552,096 <u>\$9,549,093</u>.</p> <p><u>DECISION</u>: The recommendation was approved with noted change.</p> <p><u>Issue 15</u>: Stipulated</p> <p><u>DECISION</u>: The recommendation was approved.</p> <p><u>Issue 16</u>: What is the appropriate weighted average cost of capital for the projected test year ending September 30, 2001?</p>

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Recommendation: Based on Stipulation 4, Stipulation 13, and the recommended adjustments discussed in Issue 10, the weighted average cost of capital should be ~~9.92%~~ 9.71%.

DECISION: The recommendation was approved with noted modification.

Issue 17: What is the appropriate prospective Allowance for Funds Used During Construction rate for Aloha?

Recommendation: The calculation and the effective date of the AFUDC rate were stipulated to as discussed in the case background in Stipulation 12. The actual AFUDC rate should be approved by the Commission based on the approved cost of capital. Based on the staff-recommended capital structure, the Commission should approve an AFUDC rate of ~~9.92%~~ 9.71% and a monthly discounted rate of ~~0.826185%~~ .808755%.

DECISION: The recommendation was approved with noted modification.

Issue 18: What is the appropriate method of projecting customers and consumption for the projected year ending September 30, 2001, and what changes, if any, are appropriate to the utility's projection factors?

Recommendation: The appropriate method of projecting customers and consumption for the projected year ending September 30, 2001, is based on the utility's revised forecast as presented on MFR Schedule F-10, pages 1 and 2. There are two projected growth factors that would be affected by staff's recommended projection methodology. The projected growth factor used to escalate base year bills and gallons up to test year levels should be changed to 1.07093. The projected growth factor used to account for the impact of forecasted ERC growth on selected O&M accounts should be changed to 1.03486.

DECISION: The recommendation was approved.

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Issue 19: What adjustments, if any, are necessary to the 2001 projected test year revenues and expenses to reflect the appropriate number of wastewater customers, bills, and consumption?

Recommendation: Consistent with staff's recommendation in Issue 18, the appropriate projected test year ending September 30, 2001, bills and consumption are 108,266 and 633,079,000, respectively, for residential service customers and 1,696 and 61,822, respectively, for general service customers. The utility's test year revenues before any rate adjustment should be further reduced by \$36,194, and the utility's O&M expenses should be reduced by \$32,883.

DECISION: The recommendation was approved.

Issue 20: What is the appropriate amount of reuse revenue to include in the test year?

Recommendation: Consistent with staff's recommendations in Issue 37, staff recommends that the appropriate amount of reuse revenue to include in the September 30, 2001, projected test year is \$28,474, which results in a \$18,885 reduction to test year revenues.

DECISION: The recommendation was approved.

Issue 21: What is the appropriate salary for Aloha's vice president?

Recommendation: The vice president's salary should be 20% of the president's salary. As a result, Salary & Wages - Officers and Employee Benefits accounts for the Seven Springs wastewater system should be reduced by \$15,507 and \$5,319, respectively. Payroll taxes should also be reduced by \$1,392.

DECISION: The recommendation was approved.

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Issue 22: Should an adjustment be made to remove expenses associated with an administrative employee?

Recommendation: No. This employee is needed due to the increased workload caused by reporting requirements imposed by DEP and the ARCFJ.

DECISION: The recommendation was approved.

Issue 23: Should the cost of the annual financial audit be allocated to all of the utility's systems?

Recommendation: No. Staff recommends that no adjustment should be made.

DECISION: The recommendation was approved.

Issue 24: Should any additional adjustments be made to Contractual Services - Accounting, for non-recurring costs?

Recommendation: Yes. Accounting expenses for the Seven Springs wastewater system should be reduced by \$1,113 to remove non-recurring fees associated with the implementation of the new accounting software system.

DECISION: The recommendation was approved.

Issue 25: Should an adjustment be made to Contractual Services - Accounting, as a result of the Company hiring a new comptroller?

Recommendation: No adjustment is necessary.

DECISION: The recommendation was approved.

Issue 26: Should any adjustments be made to remove expenses associated with the settlement of the DEP enforcement action?

Recommendation: Yes. Legal expenses associated with a DEP enforcement action are non-recurring and should be amortized

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18	<p>DOCKET NO. 991643-SU - Application for increase in wastewater rates in Seven Springs System in Pasco County by Aloha Utilities, Inc.</p> <p>(Continued from previous page)</p> <p>over five years, which results in a reduction to legal expenses of \$14,020. Also, miscellaneous expenses should be reduced by \$20,706.</p> <p><u>DECISION</u>: The recommendation was approved.</p> <p><u>Issue 27</u>: Is an adjustment necessary to chemicals and purchased power expenses as a result of the utility's infiltration and inflow reduction program? <u>Recommendation</u>: No. An adjustment is not necessary because there is no excessive I&I.</p> <p><u>DECISION</u>: The recommendation was approved.</p> <p><u>Issue 28</u>: Should any adjustments be made to the utility's base year ended 9/30/99 balance for Account 720 - Materials & Supplies? <u>Recommendation</u>: No adjustment should be made.</p> <p><u>DECISION</u>: The recommendation was approved.</p> <p><u>Issue 29</u>: Should an adjustment be made to Contractual Services - Other, to remove the projected maintenance expense for the new plant? <u>Recommendation</u>: No. No adjustment should be made to Contractual Services-Other, Account 736, to remove the projected maintenance expense for the new plant.</p> <p><u>DECISION</u>: The recommendation was approved.</p> <p><u>Issue 30</u>: Should any adjustments be made to the base year ended September 30, 1999 balance for miscellaneous expenses? <u>Recommendation</u>: Yes. In addition to the adjustments made in Issues 19 and 26, miscellaneous expenses should be reduced by \$7,593 for non-recurring advertising expenses and by \$162</p>

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for a misclassification error by the utility, which represents a total reduction of \$7,755.

DECISION: The recommendation was approved.

Issue 31: What is the appropriate amount of current rate case expense?

Recommendation: Total current rate case expense of \$426,676 should be allowed. This results in an increase of \$126,676 above the revised estimate in the MFRs and a decrease of \$46,139 to the updated rate case expense per Exhibit 22.

DECISION: The recommendation was approved.

Issue 32: What is the appropriate amortization period and amount of contributed taxes (CTs) associated with the Seven Springs wastewater system?

Recommendation: The appropriate amortization period is 32.68 years or 3.06%, and the appropriate annual amortization amount is \$47,273. Thus, the utility's annual amortization amount should be increased by \$8,651.

DECISION: The recommendation was approved.

Issue 33: Stipulated.

DECISION: The recommendation was approved.

Issue 34: What is the test year operating income before any revenue increase?

Recommendation: The test year operating income should be \$131,673 ~~\$123,545~~ for wastewater before any revenue increase.

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DECISION: The recommendation was approved with noted modification.

Issue 35: What is the appropriate revenue requirement?

Recommendation: The following revenue requirement should be approved:

	<u>TOTAL</u>	<u>\$ INCREASE</u>	<u>% INCREASE</u>
Wastewater	\$4,095,504	\$1,369,589	50.24%
	<u>\$4,075,088</u>	<u>\$1,349,173</u>	<u>49.49%</u>

DECISION: The recommendation was approved with noted modification.

Issue 36: What are the appropriate final wastewater rates?

Recommendation: Consistent with staff's recommendations in Issues 18 and 19, the recommended rates should be designed to allow the utility the opportunity to generate annual operating revenues of ~~\$4,059,430~~ **\$4,024,894** for its Seven Springs wastewater system, excluding miscellaneous service revenues, interest income on its cash operating account, and reuse revenues. The utility should be required to file revised tariff sheets and proposed customer notice to reflect the appropriate rates pursuant to Rule 25-22.0407(10), F.A.C. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C., provided the customers have received notice. The rates should not be implemented until proper notice has been received by the customers. The utility should provide proof of the date notice was given within 10 days after the date of the notice.

DECISION: The recommendation was approved with noted modification.

Issue 37: Should the Commission determine a reuse rate in this proceeding and, if so, what is the appropriate rate?

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Recommendation: Yes. Staff recommends no charge for the Fox Hollow Golf Course from the date it begins receiving reuse service from Aloha to exactly four years from that date, at which time the utility should begin charging the approved charge for all other reuse customers. In addition, staff recommends that, in the future, the utility should file an application for new reuse rates or changes in reuse rates, pursuant to Section 367.091, Florida Statutes. Further, staff recommends that the utility's current reuse rate of \$0.25 per thousand gallons should be increased to \$0.29 per thousand gallons and that the zero rate for the Mitchell property be continued. The utility should be required to file revised tariff sheets and proposed customer notice to reflect the appropriate rates pursuant to Rule 25-22.0407(10), F.A.C. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C., provided the customers have received notice. The rates should not be implemented until proper notice has been received by the customers. The utility should provide proof of the date notice was given within 10 days after the date of the notice.

DECISION: The recommendation was approved.

Issue 37A: Should any portion of the utility's proposed final rates implemented pursuant to Section 367.081(6), Florida Statutes, be refunded?

Recommendation: Yes. Consistent with staff's recommendation in Issue 36, staff recommends that the utility should refund ~~6.03%~~ 6.50% of the service rates collected during the period of time Aloha collects revenues under its proposed final rates. Further, staff recommends that the utility administer this refund, pursuant to Rule 25-30.360, F.A.C.

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DECISION: The recommendation was approved with noted modification.

Issue 38: Who should bear the risk that the company will not find buyers for its reclaimed water?

Recommendation: Consistent with staff's recommendations in Issues 20 and 37, staff recommends that the risk that Aloha will not find buyers for its reclaimed water should be limited to the anticipated reuse customers for the final September 30, 2001, projected test year. Further, staff recommends that the Commission should monitor Aloha's reuse revenue and customers by requiring the utility to submit additional information in its annual report. This information should include the name of each non-residential reuse customer, number of gallons of reuse sold and the revenue collected for the year. For residential reuse service, Aloha should provide the number of residential customers by development, the number of gallons sold and the revenue collected for the year.

DECISION: The recommendation was approved. Additionally, Aloha will be required to pursue negotiations with Pasco County concerning acceptance of re-use from Aloha, and report back to the Commission within six months on status.

Issue 39: Should the three-step rate reduction required by Order No. PSC-97-0280-FOF-WS be implemented, modified, or canceled?

Recommendation: Consistent with staff's recommendation in Issue 38, the three-step rate reduction should not be implemented.

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DECISION: The recommendation was approved.

Issue 40: Should Aloha's Seven Springs wastewater plant capacity charge be revised?

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Recommendation: Yes. Staff recommends that the appropriate plant capacity charge for the utility's Seven Springs wastewater system be set at \$1,650 per residential ERC and \$12.79 per gallon for all others. Further, staff recommends that the utility should file an appropriate revised tariff sheet within twenty days of the date of the Order, and staff should be given administrative authority to approve the revised tariff sheet upon staff's verification that the tariffs are consistent with the Commission's decision. If a revised tariff sheet is filed and approved, the service availability charges should become effective for connections made on or after the stamped approval date of the revised tariff sheet pursuant to Rule 25-30.475(2), F.A.C.

DECISION: The recommendation was approved.

Issue 41: Should Aloha be fined in the amount of \$250 for its apparent violation of Order No. PSC-97-0280-FOF-WS for its failure to timely file the extension of the Mitchell agreement with the Commission for approval?

Recommendation: Yes, pursuant to Section 367.161, Florida Statutes, Aloha should be fined \$250 for its failure to timely comply with Order No. PSC-97-0280-FOF-WS, issued March 12, 1997, which required any extension of the Mitchell contract to be filed with the Commission for approval. The Commission should approve the renewed contract after the fact, but no further extension of the contract after this current term expires should take place until the utility has Commission approval. Moreover, Aloha should either obtain approval of the Commission for another extension of the Mitchell agreement, or charge the Mitchell property the approved system-wide reuse rate upon expiration of this latest extension.

DECISION: The recommendation was approved with the understanding that the utility is hereby placed on notice that future noncompliance with

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the statutes, rules, or orders of this Commission could result in assessment of substantially higher fines.

Issue 42: Should Aloha be fined for its apparent violation of Order No. PSC-97-0280-FOF-WS for its failure to file sufficient information to enable the Commission to address reuse rates for all reuse customers and whether and how much of the reuse revenue requirement should be allocated to its water customers?

Recommendation: The utility should not be fined for its apparent failure to file the directed information in violation of the Order.

DECISION: The recommendation was approved.

Issue 43: Should this docket be closed?

Recommendation: No. This docket should remain open pending staff's verification that the utility's revised tariff sheets are consistent with the Commission's decision and that the utility has properly administered the refund. Upon staff's verification, this docket should be administratively closed.

DECISION: The recommendation was approved.

Commissioners participating: Jacobs, Jaber, Baez

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19	<p>DOCKET NO. 970022-EU - Petition by Florida Power & Light Company for enforcement of Order 4285, which approved a territorial agreement and established boundaries between the Company and the City of Homestead.</p> <p>Critical Date(s): None</p> <p>Commissioners Assigned: DS BZ PL Prehrg Officer DS</p> <p>Staff: SER: Breman LEG: Walker</p> <p><u>Issue 1</u>: Should the Commission approve FPL's Motion for Approval of Transfer of Customers? <u>Recommendation</u>: Yes. FPL's Motion for Approval of Transfer of Customers is in the public interest and should be approved.</p> <p><u>Issue 2</u>: Should this docket be closed? <u>Recommendation</u>: Yes. There is no further action required to be taken in this docket. Therefore, it should be closed.</p> <p><u>DECISION</u>: The recommendations were approved.</p> <p>Commissioners participating: Deason, Baez, Palecki</p>

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CASE

20**

DOCKET NO. 990108-TP - Request for arbitration concerning complaint of The Other Phone Company, Inc. d/b/a Access One Communications against BellSouth Telecommunications, Inc. regarding breach of resale agreement.

Critical Date(s): None

Commissioners Assigned: JB BZ
Prehrg Officer BZ

Staff: LEG: Fordham
CMP: Hinton

Issue 1: Should the Commission grant BellSouth's Motion to Dismiss Complaint?

Recommendation: Yes. Access One has failed to diligently pursue its Complaint and the Complaint should be dismissed.

Issue 2: Should this Docket be closed?

Recommendation: Yes. If the Commission approves staff's recommendation in Issue 1, this Docket will require no further action, and may be closed.

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

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21**

DOCKET NO. 001097-TP - Request for arbitration concerning complaint of BellSouth Telecommunications, Inc. against Supra Telecommunications and Information Systems, Inc. for resolution of billing disputes.

Critical Date(s): None

Commissioners Assigned: JB BZ PL
Prehrg Officer JB

Staff: LEG: Fordham
CMP: Fulwood

Issue 1: Should Supra's Motion for Reconsideration or Clarification of Order on Supra's Motion to Dismiss be granted?

Recommendation: No. The Commission should deny Supra's Motion for Reconsideration or Clarification of Order on Supra's Motion to Dismiss.

Issue 2: Should this docket be closed?

Recommendation: No. The docket is presently set for hearing and should remain open pending the outcome of the hearing.

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

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CASE

22**

DOCKET NO. 000277-WS - Application for transfer of facilities and Certificates Nos. 353-W and 309-S in Lee County from MHC Systems, Inc. d/b/a FFEC-Six to North Fort Myers Utility, Inc., holder of Certificate No. 247-S; amendment of Certificate No. 247-S; and cancellation of Certificate No. 309-S. (Deferred from the 1/2/01 Commission Conference; revised recommendation filed.)

Critical Date(s): None

Commissioners Assigned: JB BZ PL
Prehrg Officer JB

Staff: LEG: VanLeuven
RGO: Johnson, Redemann

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

Recommendation: Yes. Staff recommends that NFMU's request for oral argument should be granted. Oral argument should be limited to ten minutes for each party.

Issue 2: Should NFMU's Motion for Summary Final Order and Motion to Strike Mr. Varga's untimely response be granted?

Recommendation: NFMU's Motion for Summary Final Order should be denied and NFMU's Motion to Strike should be granted. Moreover, OPC's Amicus Response to NFMU's Motion for Summary Final Order should be considered as a request to participate as an amicus curiae, which request should be granted for the purpose of considering the matters contained therein as an amicus curiae submission rather than as a responsive pleading.

PAA Issue 3: If the Commission approves the application for transfer at a later date, what is the rate base of MHC at the time of transfer?

Recommendation: The rate base, which for transfer purposes reflects the net book value, is \$754,109 for the water and \$1,466,008 for wastewater system as of February 29, 2000.

PAA Issue 4: If the Commission approves the application for transfer at a later date, should an acquisition adjustment be included in the calculation of rate base?

Recommendation: No. No acquisition adjustment was requested. Moreover, there are no extraordinary

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22**

DOCKET NO. 000277-WS - Application for transfer of facilities and Certificates Nos. 353-W and 309-S in Lee County from MHC Systems, Inc. d/b/a FFEC-Six to North Fort Myers Utility, Inc., holder of Certificate No. 247-S; amendment of Certificate No. 247-S; and cancellation of Certificate No. 309-S. (Deferred from the 1/2/01 Commission Conference; revised recommendation filed.)

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circumstances in this case to warrant the inclusion of an acquisition adjustment. Therefore, staff recommends that no acquisition adjustment should be included in the calculation of rate base for purposes of transfer.

Issue 5: Should the rates and charges approved for this utility be continued?

Recommendation: Yes. NFMU should continue charging the rates and charges approved for this utility system until authorized to change in a subsequent proceeding.

Issue 6: Should the docket be closed?

Recommendation: No. This docket should remain open to process the utility's transfer application.

DECISION: The recommendations were approved as modified to Issue 2 with the understanding that the nature of OPC's filing was not addressed in this decision. Further, the docket will be set for hearing based on this decision.

Commissioner Jaber dissented on Issue 2.

Commissioners participating: Jaber, Baez, Palecki

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