MINUTES OF

COMMISSION CONFERENCE, JANUARY 22, 2002

**COMMENCED:** 9:30 a.m. **ADJOURNED:** 9:40 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

December 17, 2001 Regular Commission Conference

DECISION: The minutes were approved.

| ITEM NO. | CASE   |   |
|----------|--|---|
| 2**      | Consent Agenda   |   |
| PAA      | A) Applications for certificates to provide alternative local exchange telecommunications service. |   |
|          | DOCKET NO.   | COMPANY NAME  |
|          | 011664-TX  | MYCOMP INS AGENCY CORP. d/b/a AMERICAN BELL TELECOMMUNICATION |
|          | 011543-TX  | Verizon Florida Inc.  |
| PAA      | B) Applications for certificates to provide interexchange telecommunications service.              |   |
|          | DOCKET NO.   | COMPANY NAME  |
|          | 011665-TI  | MYCOMP INS AGENCY CORP. d/b/a AMERICAN BELL TELECOMMUNICATION |
|          | 011656-TI  | Gold Line Telemanagement Inc.                                 |
|          | 011389-TI  | Business Telecommunications<br>Services, Inc.                 |
|          | 011599-TI  | City of Daytona Beach   |
|          | 011541-TI  | Global Business Solutions and Services, Inc.                  |
| PAA      | C) Application service.  | on for certificate to provide pay telephone                   |
|          | DOCKET NO.   | COMPANY NAME  |
|          | 020018-TC  | Kim Kuczynski   |

ITEM NO. CASE

2\*\* Consent Agenda

(Continued from previous page)

PAA

D) DOCKET NO. 011662-TP - Request for cancellation of IXC Certificate No. 7812 and ALEC Certificate No. 7663 by LightSource Telecom I, LLC effective 12/19/01.

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

<u>DECISION</u>: The recommendations were approved with the exception of Issues 2A and 2B (Dockets 011664-TX and 011665-TI) which were withdrawn.

ITEM NO. CASE

3\*\*PAA

Docket No. 011620-GU - Petition by Florida Division of Chesapeake Utilities Corporation for approval of special contract with Suwannee American Limited Partnership.

Critical Date(s): None

Commissioners Assigned: Full Commission Prehearing Officer: Administrative

Staff: CMP: Makin, Bulecza-Banks

LEG: Dodson

ISSUE 1: Should the Commission approve the special contract between The Florida Division of Chesapeake Utilities Corporation (Chesapeake or the Company) and Suwannee American Partnership (Suwannee American)?

RECOMMENDATION: Yes. The Commission should approve the special contract between Chesapeake and Suwannee American, effective the date of the Commission vote in this matter.

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.

ITEM NO. CASE

4 \* \*

Docket No. 010859-WS - Application for original certificate to operate water and wastewater utility in Sumter County by North Sumter Utility Company, L.L.C.

Critical Date(s): 1/23/02 (Statutory deadlline for original certificates pursuant to Section 367.031, Florida Statutes.)

Commissioners Assigned: Full Commission

Prehearing Officer: Palecki

Staff: ECR: Clapp, Walden

LEG: Harris

<u>ISSUE 1</u>: Should the application of North Sumter Utility Company, L.L.C., for water and wastewater certificates be granted?

RECOMMENDATION: Yes. North Sumter Utility Company, L.L.C., should be granted Water Certificate No. 618-W and Wastewater Certificate No. 532-S to serve the territory described in Attachment A of staff's January 10, 2002 memorandum. The utility should file an executed and recorded copy of the warranty deed within 30 days of the issuance date of the Order granting the certificates.

ISSUE 2: Should initial water and wastewater rates, charges, and return on equity be approved at this time?

RECOMMENDATION: No. Initial water and wastewater rates, charges, and return on equity should not be approved at this

ISSUE 3: Should this docket be closed?

RECOMMENDATION: No. The docket should be held open to allow the utility to file an executed copy of a warranty deed to the land as required by Rule 25-30.033(1)(j) and to allow for the setting of initial rates, charges, and return on equity.

**DECISION**: The recommendations were approved.

time.

ITEM NO. CASE

5 \* \*

Docket No. 011344-WS - Resolution No. 2001-128 by Nassau County, in accordance with Section 367.171, F.S., rescinding Florida Public Service Commission jurisdiction over investor-owned water and wastewater systems in Nassau County. (Deferred from January 8, 2002 conference; revised recommendation filed.)

Critical Date(s): None

Commissioners Assigned: Full Commission Prehearing Officer: Administrative

Staff: ECR: Rieger, Mailhot LEG: Crosby, Gervasi

ISSUE 1: Should the Commission acknowledge Resolution No. 2001-128, rescinding the Commission's jurisdiction over investor-owned water and wastewater utilities in Nassau County effective September 17, 2001? RECOMMENDATION: Yes. The Commission should acknowledge Resolution No. 2001-128, rescinding the Commission's jurisdiction over investor-owned water and wastewater utilities in Nassau County, effective September 17, 2001. Certificate No. 001-W, held by Florida Public Utilities Company (Fernandina Beach System) (FPUC), should be canceled and returned to the Commission within 30 days from when FPUC is no longer a party to, or at the conclusion of, Docket No. 990817-WS. The cancellation of the certificate does not affect the authority of the Commission to collect, or the obligation of FPUC to pay, regulatory assessment fees accrued prior to the September 17, 2001, transfer of jurisdiction to the County.

PAA

ISSUE 2: Does the Commission retain exclusive jurisdiction over United Water Florida Inc.'s (UWF) facilities in Nassau County pursuant to Section 367.171(7), Florida Statutes?

RECOMMENDATION: Yes. Pursuant to Section 367.171(7), Florida Statutes, because UWF operates as a single utility system transversing county boundaries, the County resolution does not rescind the Commission's exclusive jurisdiction over UWF's facilities in Nassau County, as well as in St. Johns and Duval Counties.

ITEM NO. CASE

5\*\*

Docket No. 011344-WS - Resolution No. 2001-128 by Nassau County, in accordance with Section 367.171, F.S., rescinding Florida Public Service Commission jurisdiction over investor-owned water and wastewater systems in Nassau County. (Deferred from January 8, 2002 conference; revised recommendation filed.)

(Continued from previous page)

PAA

<u>ISSUE 3</u>: Does the Commission retain exclusive jurisdiction over Florida Water Services Corporation's (FWSC) facilities in Nassau County pursuant to Section 367.171(7), Florida Statutes?

RECOMMENDATION: No. Because FWSC does not operate as a single utility system transversing county boundaries, the Commission does not retain exclusive jurisdiction over its facilities in Nassau County pursuant to Section 367.171(7), Florida Statutes. Therefore, Certificates Nos. 171-W and 122-S, held by FWSC, should be canceled and returned to the Commission within 30 days of the conclusion of Docket No. 990817-WS. The cancellation of the certificates should not affect the authority of the Commission to collect, or the obligation of FWSC to pay, RAFs for the regulation of its Nassau County facilities accrued prior to the September 17, 2001, transfer of jurisdiction to Nassau County. ISSUE 4: Should this docket be closed?

RECOMMENDATION: No. If no protest is received from a substantially affected person to the proposed agency action issues, a consummating order should be issued and this docket should remain open until Docket No. 990817-WS has been closed, after which time this docket should be closed administratively and FPUC'S Certificate No. 001-W and FWSC's Certificates Nos. 171-W and 122-S should be cancelled.

**DECISION**: This item was deferred.

ITEM NO. CASE

6\*\*PAA

Docket No. 020005-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.

Commissioners Assigned: Full Commission Prehearing Officer: Administrative

Staff: ECR: Iwenjiora LEG: Harris

<u>ISSUE 1</u>: 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 2002 price index by using a fiscal year, four quarter comparison of the Implicit Price Deflator Index ending with the third quarter 2001.

<u>ISSUE 2</u>: What percentage should be used by water and wastewater utilities for the 2002 Price Index?

<u>RECOMMENDATION</u>: The 2002 Price Index for water and wastewater utilities should be 2.33%.

<u>ISSUE 3</u>: How should the utilities be informed of the indexing requirements?

RECOMMENDATION: The Division of the Commission Clerk and Administrative Services should 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 10, 2002 memorandum). A cover letter from the Director of the Division of Economic Regulation should be included with the mailing of the order (Attachment 2 of staff's memorandum).

ITEM NO. CASE

6\*\*PAA

Docket No. 020005-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.

(Continued from previous page)

ISSUE 4: 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.

ITEM NO. CASE

7\*\*

Docket No. 000079-SU - Complaint by Sunset Ventures of Key West, Inc. against K W Resort Utilities Corp. for discontinuance of service in violation of service availability agreement in Monroe County.

Critical Date(s): None

Commissioners Assigned: Full Commission

Prehearing Officer: Palecki

Staff: LEG: Harris
ECR: Rendell

ISSUE 1: Should the Complaint filed by Sunset Ventures against K W Resort Utilities be dismissed?

RECOMMENDATION: Yes. The Complaint should be dismissed without prejudice. Because the parties have not sought action by the Commission in over 23 months and have stated they have reached an agreement, and are conducting their affairs accordingly, there is no need for continued Commission involvement.

ISSUE 2: Should this Docket be closed?
RECOMMENDATION: Yes. If the Complaint is dismissed, the
docket should be closed.

**DECISION**: The recommendations were approved.

ITEM NO. CASE

8\*\*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: RGO: Williams
LEG: Elliott

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(3), 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.

**DECISION**: This item was withdrawn.

ITEM NO. CASE

9\*\*PAA

Docket No. 011008-TI - Application for certificate to provide interexchange telecommunications service by TELECUBA, INC.

Critical Date(s): None

Commissioners Assigned: Full Commission Prehearing Officer: Administrative

Staff: RGO: Pruitt

LEG: K. Pena, B. Keating

ISSUE 1: Should the Commission grant TELECUBA, INC. a certificate to provide interexchange telecommunications service within the State of Florida as provided by Section 364.337(3), Florida Statutes?

<u>RECOMMENDATION</u>: No. TELECUBA, INC. should not be granted an interexchange telecommunications service certificate to operate within Florida.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes. This docket should be closed upon the issuance of a Consummating Order unless a person whose substantial interests are affected by the Commission's proposed agency action files a written protest within 21 days of the issuance date of the proposed agency action order.

DECISION: This item was deferred.

ITEM NO. CASE

10\*\*PAA

Docket No. 011208-TI - Joint application for transfer of selected assets, including customer base, from AS Telecommunications, Inc. (holder of IXC Certificate No. 3510) to OneStar Long Distance, Inc. (holder of IXC Certificate No. 6042), for cancellation of Certificate No. 3510, and request for waiver of Rule 25-4.118, F.A.C., Interexchange Carrier Selection.

Critical Date(s): None

Commissioners Assigned: Full Commission

Prehearing Officer: Deason

Staff: RGO: McCoy LEG: Elliott

<u>ISSUE 1</u>: Should the Commission approve the transfer of selected assets and customer base of AS Telecommunications, Inc. to OneStar Long Distance, Inc.?

RECOMMENDATION: Yes.

<u>ISSUE 2</u>: Should OneStar Long Distance, Inc. be relieved in this instance of the interexchange carrier selection requirements of Rule 25-4.118, Florida Administrative Code? <u>RECOMMENDATION</u>: Yes.

ISSUE 3: Should AS Telecommunications, Inc.'s Certificate No. 3510 be cancelled when this docket is closed?

RECOMMENDATION: Yes. Certificate No. 3510 should be cancelled when this docket is 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.

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

ITEM NO. CASE

11\*\*PAA

Docket No. 011338-TP - Petition by Enhanced Communications Network, Inc. for waiver of Rule 25-4.118, F.A.C., Interexchange Carrier Selection, for purchase of customer base of Single Billing Services, Inc.

Critical Date(s): None

Commissioners Assigned: Full Commission Prehearing Officer: Administrative

Staff: RGO: McCoy

LEG: K. Pena, B. Keating

 $\underline{\text{ISSUE 1}}\colon$  Should Enhanced Communications Network, Inc. be relieved in this instance of the interexchange carrier selection requirements of Rule 25-4.118, Florida

Administrative Code? RECOMMENDATION: Yes.

ISSUE 2: Should this docket be closed?

<u>RECOMMENDATION</u>: Yes. This docket should be closed upon issuance of a Consummating Order unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the proposed agency action order.

**DECISION**: The recommendations were approved.

ITEM NO. CASE

12\*\*PAA

Docket No. 011192-TI - Petition by Univance Telecommunications, Inc. for waiver of Rule 25-4.118, F.A.C., Interexchange Carrier Selection, for purchase of customer base of Intercontinental Communications Group, Inc. d/b/a Fusion Telecom.

Critical Date(s): None

Commissioners Assigned: Full Commission Prehearing Officer: Administrative

Staff: RGO: McCoy LEG: Elliott

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

<u>RECOMMENDATION</u>: Yes. Staff believes a waiver of Rule 25.4.118, Florida Administrative Code, should be granted.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: If the Commission approves staff's recommendation on Issue 1, then the proposed agency action order shall become final and effective upon the issuance of 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 this Order. If no timely protest to the Proposed Agency Action is filed within 21 days of the date of the issuance of the Order, this docket should be closed administratively upon issuance of the Consummating Order.

**DECISION**: The recommendations were approved.

ITEM NO. CASE

13\*\*PAA

Docket No. 011675-TI - Joint petition for waiver of Rule 25-4.118, F.A.C., Interexchange Carrier Selection, for transfer of customer base from Adelphia Business Solutions of Jacksonville, Inc. and Adelphia Business Solutions Investment, LLC to Essex Communications, Inc. d/b/a eLEC Communications.

Critical Date(s): None

Commissioners Assigned: Full Commission Prehearing Officer: Administrative

Staff: RGO: Hawkins LEG: Banks

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

<u>RECOMMENDATION</u>: Yes. Staff agrees that Adelphia should be relieved in this instance of the interexchange carrier selection requirement of Rule 25-4.118, Florida Administrative Code.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes. This docket should be closed upon issuance of a Consummating Order unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the Proposed Agency Action order.

**DECISION**: The recommendations were approved.

ITEM NO. CASE

14\*\*

Docket No. 990362-TI - Initiation of show cause proceedings against GTE Communications Corporation (n/k/a Verizon Select Services Inc.) for apparent violation of Rule 25-4.118, F.A.C., Local, Local Toll, or Toll Provider Selection. Docket No. 991376-TL - Initiation of show cause proceedings against GTE Florida Incorporated for apparent violation of service standards.

Critical Date(s): None

Commissioners Assigned: Jaber, Baez, Palecki (990362-TI)

Jaber, Deason (991376-TL)

Prehearing Officer: Jaber (990362-TI)

Deason (991376-TL)

Staff: LEG: Fordham CMP: M. Watts

<u>ISSUE 1</u>: Should the Commission accept the provisions of the Settlement Agreement, offering a settlement of \$1,100,000, entered into by Verizon Select Services Inc. and the Office of Public Counsel on December 10, 2001, that the company has proposed to resolve the issues in Docket No. 990362-TI, Initiation of show cause proceedings against GTE Communications Corporation (n/k/a Verizon Select Services Inc.) for apparent violation of Rule 25-4.118, Florida Administrative Code, Local, Local Toll, or Toll Provider Selection?

RECOMMENDATION: Yes. The Commission should accept the provisions of the Settlement Agreement, offering a settlement of \$1,100,000, entered into by Verizon Select Services Inc. and the Office of Public Counsel on December 10, 2001. The company has proposed this settlement to resolve the issues in Docket No. 990362-TI, Initiation of show cause proceedings against GTE Communications Corporation (n/k/a Verizon Select Services Inc.) for apparent violation of Rule 25-4.118, Florida Administrative Code, Local, Local Toll, or Toll Provider Selection. The contribution should be received by the Commission no later than thirty days from the date that the Commission's Order becomes final and should identify the docket number and company name. The Commission should forward the

ITEM NO. CASE

14\*\*

Docket No. 990362-TI - Initiation of show cause proceedings against GTE Communications Corporation (n/k/a Verizon Select Services Inc.) for apparent violation of Rule 25-4.118, F.A.C., Local, Local Toll, or Toll Provider Selection. Docket No. 991376-TL - Initiation of show cause proceedings against GTE Florida Incorporated for apparent violation of service standards.

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contribution to the Office of the Comptroller for deposit in the State of Florida General Revenue Fund.

<u>ISSUE 2</u>: Should the Commission accept the provisions of the Settlement Agreement, offering a settlement of \$2,000,000, entered into by Verizon Florida Inc. and the Office of Public Counsel on December 10, 2001, that the company has proposed to resolve the issues in Docket No. 991376-TL, Initiation of show cause proceedings against GTE Florida Incorporated (n/k/a Verizon Florida Inc.) for apparent violation of service standards?

RECOMMENDATION: Yes. The Commission should accept the provisions of the Settlement Agreement, offering a settlement of \$2,000,000, entered into by Verizon Florida Inc. and the Office of Public Counsel on December 10, 2001. The company has proposed this settlement to resolve the issues in Docket No. 991376-TL, Initiation of show cause proceedings against GTE Florida Incorporated (n/k/a Verizon Florida Inc.) for apparent violation of service standards. Any contribution should be received by the Commission no later than thirty days from the date the Commission's Order becomes final 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 of Florida General Revenue Fund.

ITEM NO. CASE

14\*\*

Docket No. 990362-TI - Initiation of show cause proceedings against GTE Communications Corporation (n/k/a Verizon Select Services Inc.) for apparent violation of Rule 25-4.118, F.A.C., Local, Local Toll, or Toll Provider Selection. Docket No. 991376-TL - Initiation of show cause proceedings against GTE Florida Incorporated for apparent violation of service standards.

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ISSUE 3: Should these dockets be closed?
RECOMMENDATION: If staff's recommendations in Issues 1 and
2 are approved, these dockets should be closed upon receipt
of the monetary contributions.

**DECISION**: The recommendations were approved.

Commissioners participating: Jaber, Baez, Palecki(990362-TI)

Jaber, Deason(991376-TL)

ITEM NO. CASE

15\*\*

Docket No. 980876-WS - Application for certificates to operate a water and wastewater utility in Marion County by Ocala Springs Utilities Inc.

Critical Date(s): None

Commissioners Assigned: Deason, Baez, Palecki

Prehearing Officer: Deason

Staff: LEG: Cibula

ECR: Brady, Rieger

ISSUE 1: Should the Commission grant Ocala Springs Utilities Inc.'s Motion for Extension of Time? RECOMMENDATION: Yes. The Commission should grant Ocala Springs Utilities Inc.'s Motion for Extension of Time. As requested in its motion, the utility should be allowed until December 7, 2003, to file an application to establish initial rates and charges for the utility, along with the other supporting information required by Orders Nos. PSC-98-1644-FOF-WS and PSC-98-1374-PCO-WS. Moreover, the utility should be put on notice that if it fails to file the information required by Orders Nos. PSC-98-1644-FOF-WS and PSC-98-1374-PCO-WS by December 7, 2003, staff will bring a recommendation to the Commission addressing whether certificate revocation proceedings should be initiated pursuant to Section 367.111, Florida Statutes. ISSUE 2: Should this docket be closed? RECOMMENDATION: No. This docket should remain open pending completion of the filing requirements by Ocala Springs Utilities Inc., and the establishment of initial rates and charges for the utility.

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

Commissioners participating: Deason, Baez, Palecki