

MINUTES OF JULY 20, 2004
COMMISSION CONFERENCE

COMMENCED: 9:35 a.m.
ADJOURNED: 2:35 p.m.

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

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

1**Consent Agenda

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

<u>DOCKET NO.</u>	<u>COMPANY NAME</u>
040542-TX	Blonder Tongue Telephone LLC
040583-TX	Telscape Communications, Inc.
040581-TX	Servi Express Caracol, Inc. d/b/a Telefonica Express

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

<u>DOCKET NO.</u>	<u>COMPANY NAME</u>
040536-TC	Thomas E. Hendricks III
040539-TC	Linda M. Jay d/b/a Lindav Communications
040580-TC	Edward N. Pollack d/b/a Pollack Enterprises, Inc.
040587-TC	Suzanne C. Brown
040589-TC	Nosoda Vending & Advertising Co., LLC
040608-TC	Erik Lerman d/b/a Smart Tel
040538-TC	Tommy Page d/b/a Tommy Page - EZ Link
040541-TC	Adam D. Bowie

Minutes of
Commission Conference
July 20, 2004

ITEM NO.

CASE

1**

Consent Agenda

(Continued from previous page)

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

DECISION: The recommendation was approved.

Commissioners participating: Baez, Deason, Jaber, Bradley, Davidson

ITEM NO.

CASE

2Docket No. 040167-TP - Proposed adoption of Rules 25-4.082, F.A.C., Number Portability, and 25-4.083, F.A.C., Preferred Carrier Freeze; and proposed amendment of Rules 25-4.003, F.A.C., Definitions; 25-24.490, F.A.C., Customer Relations; Rules Incorporated; and 25-24.845, F.A.C., Customer Relations; Rules Incorporated.

Critical Date(s): None

Rule Status: Adoption

Commissioners Assigned: All Commissioners

Prehearing Officer: Davidson

Staff: GCL: Cibula
CMP: Kennedy
ECR: Hewitt

Issue 1: Should the Commission adopt changes to proposed Rules 25-4.082, 25-4.083, and 25-24.490, Florida Administrative Code, to address US LEC/XO's and JAPC staff's comments?

Recommendation: Yes. The Commission should adopt proposed Rules 25-4.082, 25-4.083, and 25-24.490 with changes, as set forth in Attachment A of staff's July 8, 2004 memorandum.

Issue 2: Should the rules be filed for adoption with the Secretary of State and the docket closed?

Recommendation: Yes. A Notice of Change should be published in the Florida Administrative Weekly. After the notice is published, the rules may be filed for adoption with the Secretary of State and the docket may then be closed.

DECISION: The recommendations were approved.

Commissioners participating: Baez, Deason, Jaber, Bradley, Davidson

Minutes of
Commission Conference
July 20, 2004

ITEM NO.

CASE

3**Docket No. 040246-WS - Proposed adoption of Rule 25-30.457, F.A.C., Limited Alternative Rate Increase, and Rule 25-30.458, F.A.C., Notice of and Public Information for Application for Limited Alternative Rate Increase.

Critical Date(s): None

Rule Status: Proposed

Commissioners Assigned: All Commissioners

Prehearing Officer: Davidson

Staff: GCL: Moore, Jaeger
ECR: Hewitt, Rendell, Willis

Issue 1: Should the Commission propose the adoption of new rules, Rule 25-30.457, Florida Administrative Code, entitled Limited Alternative Rate Increase, and Rule 25-30.458, Florida Administrative Code, entitled Notice of and Public Information for Application for Limited Alternative Rate Increase?

Recommendation: Yes.

DECISION: The recommendation was approved with modification to Rule 25-30.458(2) to require customer meetings to be conducted by staff no less than 21 days prior to Commission action on an application.

Issue 2: Should this docket be closed?

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

DECISION: The recommendation was approved.

Commissioners participating: Baez, Deason, Jaber, Bradley, Davidson

Minutes of
Commission Conference
July 20, 2004

ITEM NO.

CASE

4**Docket No. 040208-EI - Consumer complaint against Florida Power & Light Company
by Leticia Callard.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: GCL: Gervasi
ECR: Kummer

Issue 1: Should the late-filed request for formal hearing on PAA Order No.
PSC-04-0397-PAA-EI be granted?

Recommendation: Yes. The doctrine of equitable tolling should be invoked to grant the
late-filed request for hearing. Moreover, the request substantially complies with the
requirements of Rule 28-106.201(2), Florida Administrative Code.

Issue 2: Should Docket No. 040208-EI be closed?

Recommendation: No. Docket No. 040208-EI should be kept open pending resolution
of the protest to PAA Order No. PSC-04-0397-PAA-EI.

DECISION: The recommendations were approved.

Commissioners participating: Baez, Deason, Jaber, Bradley, Davidson

ITEM NO.

CASE

4A**Docket No. 040086-EI - Petition to vacate Order No. PSC-01-1003-AS-EI approving, as modified and clarified, the settlement agreement between Allied Universal Corporation and Chemical Formulators, Inc. and Tampa Electric Company and request for additional relief, by Allied Universal Corporation and Chemical Formulators, Inc.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Jaber

Staff: GCL: Brown, Stern

ECR: Draper

Issue 1: Should the Commission deny the requests for confidential classification of the highlighted portions of Document Nos. 01404-04, 04796-04 and 05528-04?

Recommendation: Yes. The information contained in these documents has been disclosed without seal in the court record of the Allied-Odyssey lawsuit in the Miami-Dade circuit court, and thus does not meet the criteria for confidential treatment found in section 366.093(3), Florida Statutes, or Commission Rule 25-22.006(4)(d), Florida Administrative Code.

Issue 2: Should this docket be closed?

Recommendation: No. This docket should remain open.

DECISION: No ruling was issued. Instead, the requests will be held outstanding. OPC's motion is moot.

Commissioners participating: Baez, Deason, Jaber, Bradley, Davidson

ITEM NO.

CASE

5**PAADocket No. 040488-TP - Complaint of BellSouth Telecommunications, Inc. against IDS
Telcom LLC to enforce interconnection agreement deposit requirements.

Critical Date(s): 7/21/04 (Service to IDS may be terminated by BellSouth if the
Commission does not render a decision by this date.)

Commissioners Assigned: All Commissioners
Prehearing Officer: Jaber

Staff: CMP: Barrett
GCL: Christensen

Issue 1: Pursuant to the terms of the Interconnection Agreement, can BellSouth collect a security deposit from IDS? If so, what is the appropriate amount?

Recommendation: Yes. Under the terms of the Interconnection Agreement, BellSouth is entitled to collect a security deposit from IDS; however, the amount BellSouth is requesting is inappropriate. Therefore, as an interim measure, subject to true-up, IDS should place \$2 million in an escrow account within 7 calendar days of the Commission's vote on this item until a final deposit amount can be determined by this Commission, or negotiated by the parties. IDS should provide the Commission with proof that the escrow account has been established within the designated time frame. If IDS does not establish an escrow account as per this Commission's vote, then BellSouth should be allowed to enforce the deposit provisions of the Interconnection Agreement.

Issue 2: Should the Commission grant the IDS Counterclaim?

Recommendation: No. The Commission should not grant the IDS Counterclaim. Staff does not believe that the language IDS seeks to adopt in Docket No. 040611-TP has retroactive application, and thus has no direct impact on the current dispute addressed herein. Staff believes the language in place on the date the Petitioner brought forth this matter is the only language this Commission should consider.

Issue 3: Should this docket be closed?

Recommendation: No. This docket should be remain open until a final deposit amount is determined or pending further proceedings.

DECISION: This item is deferred.

ITEM NO.

CASE

6**PAADocket No. 040604-TL - Adoption of the National School Lunch Program and an income-based criterion at or below 135% of the Federal Poverty Guidelines as eligibility criteria for the Lifeline and Link-Up programs.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: CMP: C. Williams, Bulecza-Banks, Casey

FLL: Fogleman

GCL: Teitzman

Issue 1: Should the Commission adopt the National School Lunch free lunch program (NSL) for purposes of determining eligibility in the Lifeline and Link-Up programs in Florida consistent with the federal program?

Recommendation: Yes. Staff recommends that the Commission adopt the National School Lunch free lunch program (NSL) for purposes of determining eligibility in the Lifeline and Link-Up programs in Florida.

Issue 2: Should the Commission adopt an income-based eligibility criterion for consumers with incomes at or below 135% of the Federal Poverty Guidelines (FPG) for purposes of determining eligibility in the Lifeline and Link-Up programs in Florida consistent with the federal program?

Recommendation: Yes. Staff recommends that the Commission adopt an income-based eligibility criterion for consumers with incomes at or below 135% of the Federal Poverty Guidelines (FPG) for purposes of determining eligibility in the Lifeline and Link-Up programs in Florida.

Issue 3: Should the Commission modify Florida's Lifeline program to allow the addition of a self-certification option?

Recommendation: Yes. In addition to the standard certification currently in place, staff recommends that the Commission allow Florida consumers that qualify for Lifeline assistance the option of electing a self-certification process. The amount of Lifeline assistance provided would be based on the type of certification chosen by the consumer. ETCs should be directed to disclose to consumers both Lifeline certification processes available, along with the Lifeline credits available under each process. Further, the industry should be directed, in coordination with FPSC staff and the Office of Public Counsel, to efficiently implement this option for Florida's citizens.

Issue 4: Should the Commission require ETCs, on an annual basis, to file reports identifying the number of applicants applying for Lifeline and Link-up, the number of applicants approved for Lifeline and Link-up, the method of certification the applicant used, and whether the approved applicant will receive \$8.25 or \$13.50 in assistance.

ITEM NO.

CASE

6**PAA

Docket No. 040604-TL - Adoption of the National School Lunch Program and an income-based criterion at or below 135% of the Federal Poverty Guidelines as eligibility criteria for the Lifeline and Link-Up programs.

(Continued from previous page)

Recommendation: Yes. Staff recommends that the Commission require ETCs, on an annual basis, to file reports identifying the number of applicants applying for Lifeline and Link-up, the number of applicants approved for Lifeline/Link-up, the method of certification the applicant used, and whether the approved applicant received \$8.25 or \$13.50 in assistance.

Issue 5: Should this docket be closed.

Recommendation: Yes. If no person whose interests are substantially affected by the proposed agency action files a protest within the 21-day protest period, this docket should be closed upon the issuance of a consummating order.

DECISION: Staff's recommendations were approved on all issues, with the caveat that the Commission have an opportunity to implement the provisions of staff's recommendations in a sound manner, providing for accountability during a rulemaking or protest or some other proceeding. Commissioners Deason and Jaber dissented.

Commissioners participating: Baez, Deason, Jaber, Bradley, Davidson

Minutes of
Commission Conference
July 20, 2004

ITEM NO.

CASE

7**PAADocket No. 030629-TX - Cancellation by Florida Public Service Commission of CLEC Certificate No. 7770 issued to Delta Phones, Inc. for violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies, and compliance investigation for apparent violation of Rule 25-22.032(5)(a), F.A.C., Customer Complaints.

Critical Date(s): None

Commissioners Assigned: ~~All Commissioners~~ **Baez, Deason, Bradley, Davidson**
Prehearing Officer: Administrative

Staff: CMP: Isler
GCL: McKay

Issue 1: Should the Commission reconsider its vote from the March 16, 2004 Agenda Conference; grant the company cancellation of its certificate with an effective date of June 17, 2004, due to bankruptcy; notify the Division of the Commission Clerk and Administrative Services that any unpaid Regulatory Assessment Fees, including statutory penalty and interest charges, should not be sent to the Florida Department of Financial Services and request permission to write off the uncollectible amounts; and require Delta Phones, Inc. to immediately cease and desist providing competitive local exchange (CLEC) service in Florida?

Recommendation: Yes.

Issue 2: Should this docket be closed?

Recommendation: Yes.

DECISION: The recommendations were approved.

Commissioners participating: Baez, Deason, Bradley, Davidson

ITEM NO.

CASE

8**PAADocket No. 040029-EG - Petition for approval of numeric conservation goals by Florida Power & Light Company.

Critical Date(s): 1/1/05 (New conservation goals must be set by this date.)

Commissioners Assigned: All Commissioners

Prehearing Officer: Deason

Staff: ECR: Harlow, Colson, Sickel

GCL: Vining

Issue 1: Should the Commission approve Florida Power & Light Company's numeric conservation goals for the 2005 through 2014 period?

Recommendation: Yes. The programs, assumptions, and evaluation methodology used by FPL to develop its proposed numeric goals are reasonable and adequately meet the requirements of Rule 25-17.0021, Florida Administrative Code. FPL appropriately used the RIM and participant tests to determine the cost-effective level of achievable demand-side management (DSM) demand and energy savings.

Issue 2: Should Florida Power & Light Company be required to file a Demand-Side Management Plan?

Recommendation: Yes. If staff's recommendation in Issue 1 is approved, FPL should be required to file a DSM Plan within 90 days of the issuance of the Commission's consummating order, as required by Rule 25-17.0021(4), Florida Administrative Code.

Issue 3: Should this docket be closed?

Recommendation: No. This docket should remain open to allow the Commission to address FPL's DSM Plan.

DECISION: The recommendations were approved.

Commissioners participating: Baez, Deason, Jaber, Bradley, Davidson

ITEM NO.

CASE

9**PAADocket No. 040030-EG - Petition for approval of numeric conservation goals by JEA.

Critical Date(s): 1/1/05 (New conservation goals must be set by this date.)

Commissioners Assigned: All Commissioners

Prehearing Officer: Deason

Staff: ECR: Haff, Colson, Sickel

GCL: Vining

Issue 1: Should the Commission approve JEA's numeric conservation goals for the 2005-2014 period?

Recommendation: Yes. JEA's evaluation methodology is reasonable and adequately meets the requirements of Rule 25-17.0021, Florida Administrative Code. JEA appropriately evaluated the cost-effectiveness of measures using the RIM test. While two measures were cost-effective, neither could be expected to have enough participation to justify creation of a DSM program. As a result, JEA's proposed zero goals for the 2005-2014 period should be approved.

Issue 2: Should the Commission acknowledge JEA's Demand-Side Management Plan?

Recommendation: Yes. If staff's recommendation in Issue 1 is approved, JEA's numeric conservation goals will be set to zero and JEA should not be required to file a DSM Plan. However, JEA has already filed a DSM Plan, consisting of existing DSM programs, which should be acknowledged by the Commission for informational purposes. JEA should not be required to file program standards.

Issue 3: Should this docket be closed?

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

DECISION: The recommendations were approved.

Commissioners participating: Baez, Deason, Jaber, Bradley, Davidson

ITEM NO.

CASE

10**PAADocket No. 040031-EG - Petition for approval of numeric conservation goals by Progress Energy Florida, Inc.

Critical Date(s): 1/1/05 (New conservation goals must be set by this date.)

Commissioners Assigned: All Commissioners

Prehearing Officer: Deason

Staff: ECR: Haff, Colson, Sickel

GCL: Vining

Issue 1: Should the Commission approve Progress Energy Florida's numeric conservation goals for the 2005-2014 period?

Recommendation: Yes. The programs, assumptions, and evaluation methodology used by PEF to develop its proposed numeric goals are reasonable and adequately meet the requirements of Rule 25-17.0021, Florida Administrative Code. PEF appropriately used the RIM and participant tests to determine the cost-effectiveness level of achievable demand and energy savings.

Issue 2: Should the Commission approve Progress Energy Florida's Demand-Side Management Plan, including approval for cost recovery?

Recommendation: Yes. The programs contained in PEF's DSM Plan meet the policy objectives of Rule 25-17.001, Florida Administrative Code, and FEECA. The programs are cost-effective and are expected to allow PEF to meet its Commission-prescribed conservation goals.

Issue 3: Should Progress Energy Florida be required to submit detailed program participation standards?

Recommendation: Yes. PEF should file program participation standards within 30 days of the issuance of the Consummating Order in this docket. Consistent with past Commission practice, staff should be allowed to administratively approve the program participation standards if they conform to the description of the programs contained in PEF's DSM Plan.

Issue 4: Should this docket be closed?

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

DECISION: The recommendations were approved.

Commissioners participating: Baez, Deason, Jaber, Bradley, Davidson

ITEM NO.

CASE

11**PAADocket No. 040032-EG - Petition for approval of numeric conservation goals by Gulf Power Company.

Critical Date(s): 1/1/05 (New conservation goals must be set by this date.)

Commissioners Assigned: All Commissioners

Prehearing Officer: Deason

Staff: ECR: Harlow, Colson, Sickel

GCL: Vining

Issue 1: Should the Commission approve Gulf Power Company's numeric conservation goals for the 2005 through 2014 period?

Recommendation: Yes. The programs, assumptions, and evaluation methodology used by Gulf to develop its proposed numeric goals are reasonable and adequately meet the requirements of Rule 25-17.0021, Florida Administrative Code. Gulf appropriately used the RIM test to determine the cost-effective level of achievable demand-side management (DSM) demand and energy savings.

Issue 2: Should Gulf Power Company be required to file a Demand-Side Management Plan?

Recommendation: Yes. If staff's recommendation in Issue 1 is approved, Gulf should be required to file a DSM Plan within 90 days of the issuance of the Commission's consummating order, as required by Rule 25-17.0021(4), Florida Administrative Code.

Issue 3: Should this docket be closed?

Recommendation: No. This docket should remain open to allow the Commission to address Gulf's DSM Plan.

DECISION: The recommendations were approved.

Commissioners participating: Baez, Deason, Jaber, Bradley, Davidson

ITEM NO.

CASE

12**PAADocket No. 040033-EG - Petition for approval of numeric conservation goals by Tampa Electric Company.

Critical Date(s): 1/1/05 (New conservation goals must be set by this date.)

Commissioners Assigned: All Commissioners

Prehearing Officer: Deason

Staff: ECR: Haff, Colson, Sickel

GCL: Vining

Issue 1: Should the Commission approve Tampa Electric Company's numeric conservation goals for the 2005-2014 period?

Recommendation: Yes. The programs, assumptions, and evaluation methodology used by TECO to develop its proposed numeric goals are reasonable and adequately meet the requirements of Rule 25-17.0021, Florida Administrative Code. TECO appropriately used the RIM and participant tests to determine the cost-effectiveness level of achievable demand and energy savings.

Issue 2: Should Tampa Electric Company be required to file a Demand-Side Management Plan?

Recommendation: Yes. If the Commission approves staff's recommendation in Issue 1, TECO should be required to file a DSM Plan within 90 days of the issuance of the Commission's Consummating order, as required by Rule 25-17.0021(4), Florida Administrative Code.

Issue 3: Should this docket be closed?

Recommendation: No. This docket should remain open to allow the Commission to address TECO's DSM Plan.

DECISION: The recommendations were approved.

Commissioners participating: Baez, Deason, Jaber, Bradley, Davidson

ITEM NO.

CASE

13**PAADocket No. 040034-EG - Petition for approval of numeric conservation goals by Florida Public Utilities Company.

Critical Date(s): 1/1/05 (New conservation goals must be set by this date.)

Commissioners Assigned: All Commissioners

Prehearing Officer: Deason

Staff: ECR: Haff, Colson, Sickel

GCL: Vining

Issue 1: Should the Commission approve Florida Public Utilities Company's numeric conservation goals for the 2005-2014 period?

Recommendation: Yes. The programs, assumptions, and evaluation methodology used by FPUC to develop its proposed numeric goals are reasonable and adequately meet the requirements of Rule 25-17.0021, Florida Administrative Code. FPUC appropriately used the RIM and participant tests to determine the cost-effectiveness level of achievable demand and energy savings.

Issue 2: Should the Commission approve Florida Public Utilities Company's Demand-Side Management Plan, including approval for cost recovery?

Recommendation: Yes. The programs contained in FPUC's DSM Plan meet the policy objectives of Rule 25-17.001, Florida Administrative Code, and FEECA. The programs are cost-effective and are expected to allow FPUC to meet its Commission-prescribed conservation goals. Consistent with past Commission practice, staff should be allowed to administratively approve the program participation standards at a later date if FPUC's DSM Plan is approved.

Issue 3: Should this docket be closed?

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

DECISION: The recommendations were approved.

Commissioners participating: Baez, Deason, Jaber, Bradley, Davidson

ITEM NO.

CASE

14**PAADocket No. 040035-EG - Petition for approval of numeric conservation goals by Orlando Utilities Commission.

Critical Date(s): 1/1/05 (New conservation goals must be set by this date.)

Commissioners Assigned: All Commissioners

Prehearing Officer: Deason

Staff: ECR: Harlow, Colson, Sickel

GCL: Vining

Issue 1: Should the Commission approve Orlando Utilities Commission's numeric conservation goals for the 2005 through 2014 period?

Recommendation: Yes. The programs, assumptions, and evaluation methodology used by OUC are reasonable and adequately meet the requirements of Rule 25-17.0021, Florida Administrative Code. OUC appropriately used the RIM test to determine the cost-effective level of achievable DSM goals, and found that none of the tested measures were cost-effective. Therefore, OUC's proposed numeric conservation goals of zero for the period 2005 through 2014 should be approved.

Issue 2: Should the Commission acknowledge Orlando Utilities Commission's DSM Plan?

Recommendation: Yes. If staff's recommendation in Issue 1 is approved, OUC's numeric conservation goals will be set at zero and OUC should not be required to file a DSM Plan. However, OUC has already filed a DSM Plan, consisting of existing programs, which should be acknowledged by the Commission for informational purposes. OUC should not be required to file program standards.

Issue 3: Should this docket be closed?

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

DECISION: The recommendations were approved.

Commissioners participating: Baez, Deason, Jaber, Bradley, Davidson

ITEM NO.

CASE

15 Docket No. 030637-WS - Petition for approval of deletion of territory in Seminole County and for amendment of Certificate Nos. 279-W and 226-S by Florida Water Services Corporation.
Docket No. 030667-WS - Application for amendment of Certificate Nos. 247-W and 189-S for extension of water and wastewater service area in Seminole County, by Sanlando Utilities Corporation.

Critical Date(s): None

Commissioners Assigned: All Commissioners
Prehearing Officer: Davidson

Staff: ECR: Redemann
GCL: Brubaker

Issue 1: Should Florida Water Services Corporation's Motion for Reconsideration and Clarification of Order No. PSC-04-0532-AS-WS be granted?

Recommendation: Yes, the Motion should be granted and Order No. PSC-04-0532-AS-WS should be clarified and corrected as set forth in the analysis portion of staff's July 8, 2004 memorandum.

Issue 2: Should the dockets be closed?

Recommendation: Yes. If the Commission grants FWSC's Motion, no further action need be taken and the dockets may be closed.

DECISION: The recommendations were approved.

Commissioners participating: Baez, Deason, Jaber, Bradley, Davidson

ITEM NO.

CASE

16**Docket No. 040247-WS - Application for certificates to provide water and wastewater service in Franklin County by St. James Island Utility Company.

Critical Date(s): 7/29/04 (Statutory deadline for original certificates pursuant to Section 367.031, Florida Statutes.)

Commissioners Assigned: All Commissioners

Prehearing Officer: Bradley

Staff: ECR: Clapp, Brinkley, Kenny, Lester, Redemann
GCL: Gervasi

Issue 1: Should the application of St. James Island Utility Company for water and wastewater certificates be granted?

Recommendation: Yes. St. James Island Utility Company should be granted Certificate Nos. 621-W and 534-S to serve the territory described in Attachment A of staff's July 8, 2004 memorandum. The utility should file an executed and recorded copy of the warranty deeds for the land for the water and wastewater facilities within 30 days of the issuance date of the Order granting the certificates.

PAA

Issue 2: What are the appropriate initial water and wastewater rates and return on investment for this utility?

Recommendation: The staff-recommended water and wastewater rates, customer deposits, and miscellaneous service charges described in the analysis portion of staff's July 8, 2004 memorandum should be approved. St. James should be required to file tariffs, within 30 days of the consummating order, which reflect the Commission-approved rates and charges. St. James should charge these rates and charges until authorized to change them by this Commission in a subsequent proceeding. The rates should be effective for services rendered or connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, Florida Administrative Code. A return on investment of 9.10% should be approved. The utility should file quarterly monitoring reports for two years for evaluation of the effectiveness of the conservation rates.

PAA

Issue 3: What are the appropriate service availability charges for St. James Island Utility Company?

Recommendation: The utility's proposed service availability policy and charges set forth within the analysis portion of staff's July 8, 2004 memorandum are appropriate and should be approved effective for connections made on or after the stamped approval date on the tariff sheets.

PAA

Issue 4: Should the utility's proposed Allowance for Funds Used During Construction (AFUDC) rate be approved?

ITEM NO.

CASE

16**

Docket No. 040247-WS - Application for certificates to provide water and wastewater service in Franklin County by St. James Island Utility Company.

(Continued from previous page)

Recommendation: Yes. The utility's proposed Allowance for Funds Used During Construction rate should be approved. An annual AFUDC rate of 9.10% should be approved with a discounted monthly rate of 0.728583%. The approved rate should be applicable for eligible construction projects beginning on or after the date the certificate of authorization is issued.

Issue 5: Should this docket be closed?

Recommendation: Yes. If no protest to the proposed agency action issues is filed by a substantial affected person, a consummating order will issue and the docket should be closed administratively upon receipt of the executed and recorded copy of the warranty deeds.

DECISION: The recommendations were approved.

Commissioners participating: Baez, Deason, Jaber, Bradley, Davidson