

**MINUTES OF July 23, 2002**

**COMMISSION CONFERENCE**

**COMMENCED:** 9:35 a.m.

**ADJOURNED:** 1:05 p.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 (\*\*).

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1 Approval of Minutes  
June 18, 2002 Regular Commission Conference

DECISION: The minutes were approved.

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

Minutes of  
 Commission Conference  
 July 23, 2002

<u>ITEM NO.</u>	<u>CASE</u>												
2**	Consent Agenda												
PAA	A) Applications for certificates to provide alternative local exchange telecommunications service.												
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<u>DOCKET NO.</u>	<u>COMPANY NAME</u>
020559-TC	Rose Manor, A.L.F., Inc.

PAA            D) DOCKET NO. 020518-TI - Request for approval of merger of Conestoga Enterprises, Inc., parent corporation of CEI Networks, Inc. (holder of IXC Certificate No. 7283), with and into D&E Acquisition Corp., a wholly owned subsidiary of D&E Communications, Inc.

PAA            E) DOCKET NO. 020561-TX - Joint request for approval of transfer of control through stock purchase agreement whereby Reconex Acquisition Corp., a subsidiary of 1-800 RECONEX, Inc. (holder of ALEC Certificate No. 4828) will sell 80% of the outstanding stock of Choctaw Communications, Inc. d/b/a Smoke Signal Communications (holder of ALEC Certificate No. 5625) to SSC Holdings, LLC, thereby making Choctaw a subsidiary of SSC.

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

DECISION: The recommendation was approved.

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

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3

Docket No. 020397-EQ - Petition for declaratory statement by Florida Power & Light Company that FPL may pay a Qualified Facility (QF) for purchase of renewable energy an amount representing FPL's full avoided cost plus a premium borne by customers voluntarily participating in FPL's Green Energy Project.

Critical Date(s): 8/1/02 (By statute, order must be issued by this date.)

Commissioners Assigned: Full Commission  
Prehearing Officer: Deason

Staff: GCL: Moore  
ECR: Colson

ISSUE 1: Should the Commission grant the petition to intervene filed by New Hope Power Partnership and Palm Beach Power Corp.?

RECOMMENDATION: Yes.

ISSUE 2: Should the Commission grant FPL's petition for a declaratory statement?

RECOMMENDATION: Yes. The Commission should grant FPL's petition and declare that FPL's proposal to pay in excess of its avoided costs to a QF for renewable energy for a Green Energy Program in which FPL's customers voluntarily agree to higher rates covering the costs above FPL's avoided cost does not violate PURPA and its implementing rules, or Section 366.051 and its implementing rules.

ISSUE 3: Should this docket be closed?

RECOMMENDATION: Yes. If the Commission votes to dispose of the petition for declaratory statement, the docket should be closed.

DECISION: The recommendations were approved.

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

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4	<p>Docket No. 000121A-TP - Investigation into the establishment of operations support systems permanent performance measures for incumbent local exchange telecommunications companies. (BELLSOUTH TRACK) (Deferred from July 9, 2002 conference; revised recommendation filed.)</p> <p>Critical Date(s): None</p> <p>Commissioners Assigned: Full Commission Prehearing Officer: Palecki</p> <p>Staff: GCL: Fudge CMP: Simmons, Harvey</p> <p><u>ISSUE 1</u>: Should Supra's Motion to Dismiss be granted? <u>RECOMMENDATION</u>: No. Supra's Motion to Dismiss should be denied.</p> <p><u>ISSUE 2</u>: If the Commission approves staff's recommendation in Issue 1, should BellSouth Telecommunications, Inc.'s Expedited Petition for Temporary Relief of the Requirements of Order No. PSC-01-1819-FOF-TP be granted? <u>RECOMMENDATION</u>: No. BellSouth should endeavor to meet all performance metrics. For those metrics that BellSouth does not meet, it should make payments as required by the Performance Assessment Plan.</p> <p><u>ISSUE 3</u>: Should this docket be closed? <u>RECOMMENDATION</u>: No. This docket should remain open to conduct the six-month review process outlined in the Final Order.</p>

DECISION: The recommendations were approved. Commissioners Deason and Bradley dissented on Issue 2.

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

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Docket No. 010696-TC - Cancellation by Florida Public Service Commission of Pay Telephone Certificate No. 7418 issued to Alpha Tel-Com, Inc. for violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.

Docket No. 020380-TC - Application for certificate to provide pay telephone service by Alpha Telcom, Inc.

Critical Date(s): None

Commissioners Assigned: Full Commission

Prehearing Officer: Deason (010696-TC)

Administrative (020380-TC)

Staff: GCL: Elliott

CMP: Isler, McCoy

ISSUE 1: Should the Commission vacate in part Order No. PSC-01-2425-AS-TC in regard to the administrative cancellation of Alpha Tel-Com, Inc.'s Pay Telephone Certificate No. 7418?

RECOMMENDATION: Yes. The Commission should vacate in part Order No. PSC-01-2425-AS-TC in regard to the administrative cancellation of Alpha Tel-Com, Inc.'s Pay Telephone Certificate No. 7418. If staff's recommendation is approved and Alpha's Certificate No. 7418 is reinstated, then Docket No. 020380-TC should be closed because the application will be rendered moot.

ISSUE 2: Should these dockets be closed?

RECOMMENDATION: Yes. If staff's recommendation is approved, these dockets should be closed upon issuance of the Commission's Order.

DECISION: The recommendations were approved.

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

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6

Docket No. 960786B-TL - Consideration of BellSouth Telecommunications, Inc.'s entry into interLATA services pursuant to Section 271 of the Federal Telecommunications Act of 1996. (Third Party OSS Testing) (Deferred from July 9, 2002 conference; revised recommendation filed.)  
Docket No. 981834-TP - Petition of Competitive Carriers for Commission action to support local competition in BellSouth Telecommunications, Inc.'s service territory. Deferred from July 9, 2002 conference; revised recommendation filed.)

Critical Date(s): None

Commissioners Assigned: Full Commission  
Prehearing Officer: Deason

Staff: CMP: Harvey, Vinson, Duffey  
GCL: B. Keating, Banks

ISSUE 1: In order to resolve the issues within Exception 88, issued by KPMG Consulting in the Florida OSS test, should BellSouth's proposed change control and software release management process entitled *End-to-End Process Flow, Draft Version 2.1*, dated June 2002, be implemented?

RECOMMENDATION: Yes. BellSouth's proposed change control and software release management process entitled *End-to-End Process Flow, Draft Version 2.1*, should be implemented.

ISSUE 2: Should these dockets be closed?

RECOMMENDATION: No. These dockets should remain open pending further review and Commission consideration of the OSS test results.

DECISION: The recommendations were approved.

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

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7\*\*PAA

Docket No. 020514-TC - Cancellation by Florida Public Service Commission of PATS Cert. No. 7752 issued to Carlton Palms Condominium Association, Inc. for violation of Rules 25-24.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies, and 25-24.520, F.A.C., Reporting Requirements.

Critical Date(s): None

Commissioners Assigned: Full Commission  
Prehearing Officer: Administrative

Staff: CMP: Isler  
GCL: Teitzman

ISSUE 1: Should the Commission impose a \$500 penalty or cancel Carlton Palms Condominium Association, Inc.'s Pay Telephone Service (PATS) Certificate No. 7752 for apparent violation of Rule 25-4.0161, Florida Administrative Code, Regulatory Assessment Fees; Telecommunications Companies?  
RECOMMENDATION: Yes. The Commission should impose a \$500 penalty or cancel the company's certificate if the penalty and the regulatory assessment fees, including statutory penalty and interest charges, are not received by the Commission within fourteen (14) calendar days after the issuance of the Consummating Order. The penalty should be paid to the Florida Public Service Commission and forwarded to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. If the Commission's Order is not protested and the penalty and regulatory assessment fees, including statutory penalty and interest charges, are not received, the company's Certificate No. 7752 should be cancelled administratively and the collection of the past due fees should be referred to the Office of the Comptroller for further collection efforts. If the company's certificate is cancelled in accordance with the Commission's Order from this recommendation, Carlton Palms Condominium Association, Inc. should be required to immediately cease and desist providing pay telephone service in Florida.



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Service Commission of PATS Cert. No. 7752 issued to Carlton Palms Condominium Association, Inc. for violation of Rules 25-24.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies, and 25-24.520, F.A.C., Reporting Requirements.

(Continued from previous page)

Issue 2: Should the Commission impose a \$500 penalty or cancel Carlton Palms Condominium Association, Inc.'s PATS Certificate No. 7752 for apparent violation of Rule 25-24.520, Florida Administrative Code, Reporting Requirements?  
RECOMMENDATION: Yes. The Commission should impose a \$500 penalty or cancel Carlton Palms Condominium Association, Inc.'s certificate if the information required by Rule 25-24.520, Florida Administrative Code, Reporting Requirements, and penalty are not received by the Commission within fourteen (14) calendar days after the issuance of the Consummating Order. The penalty should be paid to the Florida Public Service Commission and forwarded to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. If the Commission's Order is not protested and the penalty and required information are not received, Carlton Palms Condominium Association, Inc.'s PATS Certificate No. 7752 should be cancelled administratively. If the company's certificate is cancelled in accordance with the Commission's Order from this recommendation, Carlton Palms Condominium Association, Inc. should be required to immediately cease and desist providing pay telephone service in Florida.

ISSUE 3: Should this docket be closed?

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

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Service Commission of PATS Cert. No. 7752 issued to Carlton Palms Condominium Association, Inc. for violation of Rules 25-24.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies, and 25-24.520, F.A.C., Reporting Requirements.

(Continued from previous page)

the Commission's decision files a protest within 21 days of the issuance of the Proposed Agency Action Order. The docket should then be closed upon receipt of the penalty and fees and updated reporting requirements, or cancellation of the certificate.

DECISION: This item was deferred.

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8\*\*PAA

Docket No. 020515-TI - Finding of insolvency cancellation by Florida Public Service Commission of IXC Cert. No. 7175 issued to Interglobal Telephone Company d/b/a ITC for violation of Rule 25-24.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.

Critical Date(s): None

Commissioners Assigned: Full Commission  
Prehearing Officer: Administrative

Staff: CMP: Isler  
GCL: L. Fordham

ISSUE 1: Should the Commission grant Interglobal Telephone Company d/b/a ITC's request for cancellation of its IXC Certificate No. 7175 due to the finding of insolvency?  
RECOMMENDATION: Yes. The Commission should grant the company a finding of insolvency cancellation of its IXC Certificate No. 7175 with an effective date of June 6, 2002. In addition, the Division of the Commission Clerk and Administrative Services will be notified that the 2001 and 2002 RAFs, including statutory penalty and interest charges for the years 2000 and 2001, should not be sent to the Comptroller's Office for collection, but that permission for the Commission to write off the uncollectible amount should be requested. If the certificate is cancelled in accordance with the Commission's Order from this recommendation, the company should be required to immediately cease and desist providing interexchange carrier telecommunications service in Florida.

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by Florida Public Service Commission of IXC Cert. No. 7175 issued to Interglobal Telephone Company d/b/a ITC for violation of Rule 25-24.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.

(Continued from previous page)

ISSUE 2: Should this docket be closed?

RECOMMENDATION: The Order issued from this recommendation will become final upon issuance of a Consummating Order unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the Proposed Agency Action Order. The docket should then be closed.

DECISION: The recommendations were approved.

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

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9\*\*PAA

Docket No. 020106-TI - Petition by PNG Telecommunications, Inc. d/b/a PowerNet Global Communications for limited waiver of IXC carrier selection requirements in Rule 25-4.118, F.A.C.

Critical Date(s): None

Commissioners Assigned: Full Commission  
Prehearing Officer: Administrative

Staff: CMP: Hawkins  
GCL: Elliott

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

RECOMMENDATION: Yes. PNG Telecommunications, Inc. d/b/a PowerNet Global Communications should be relieved in this instance of the interexchange carrier selection requirements of Rule 25-4.118, Florida Administrative Code.

ISSUE 2: 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: Jaber, Deason, Baez, Palecki, Bradley

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10**PAA	Docket No. 020512-TI - Petition of TTI National, Inc. (holder of IXC Cert. No. 3159) for waiver of carrier selection requirements of Rule 25-4.118, F.A.C., in connection with transfer of customers from PT-1 Communications, Inc. (holder of IXC Cert. No. 4432) and PT-1 Long Distance, Inc. (holder of IXC Cert. No. 7110) to TTI.

Critical Date(s): None

Commissioners Assigned: Full Commission  
Prehearing Officer: Administrative

Staff: CMP: Pruitt  
GCL: Dodson

ISSUE 1: Should the Commission relieve TTI in this instance of the carrier selection requirements in Rule 25-4.118, Florida Administrative Code?

RECOMMENDATION: Yes.

ISSUE 2: 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: Jaber, Deason, Baez, Palecki, Bradley

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11\*\*PAA

Docket No. 020540-TI - Joint petition for waiver of carrier selection requirement of Rule 25-4.118, F.A.C., to facilitate transfer of intraLATA service customers from BellSouth Long Distance, Inc. (holder of IXC Cert. No. 5241) to Broadwing Telecommunications Inc. (holder of IXC Cert. No. 3178).

Critical Date(s): None

Commissioners Assigned: Full Commission  
Prehearing Officer: Administrative

Staff: CMP: Pruitt  
GCL: Teitzman

ISSUE 1: Should the Commission relieve Broadwing Telecommunications Inc. in this instance of the carrier selection requirements in Rule 25-4.118, Florida Administrative Code?

RECOMMENDATION: Yes.

ISSUE 2: 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: Jaber, Deason, Baez, Palecki, Bradley

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12\*\*PAA

Docket No. 020535-TP - Request for approval of transfer of substantially all assets, including customer contracts, of e.spire operating entities to Xspedius operating entities; application for transfer of ALEC Certificate 4722 from American Communication Services of Jacksonville, Inc. d/b/a e.spire to Xspedius Management Co. of Jacksonville, LLC, for transfer of ALEC Certificate No. 5474 from ACSI Local Switched Services, Inc. d/b/a e.spire Communications, Inc. to Xspedius Management Co. Switched Services, LLC, and for transfer of IXC Certificate No. 5339 from ACSI Local Switched Services, Inc. d/b/a e.spire Communications, Inc. to Xspedius Management Co. Switched Services, LLC, and request for waiver of carrier selection requirement of Rule 25-4.118, F.A.C.

Critical Date(s): None

Commissioners Assigned: Full Commission  
Prehearing Officer: Administrative

Staff: CMP: Pruitt  
GCL: Teitzman

ISSUE 1: Should the Commission approve the acquisition of the telecommunications assets of the e.spire operating entities by the Xspedius operating entities, the transfer of ALEC Certificate 4722 from American Communications Services of Jacksonville, Inc. d/b/a e.spire to Xspedius Management Co. of Jacksonville, LLC, the transfer of ALEC Certificate No. 5474 from ACSI Local Switched Services, Inc. d/b/a e.spire Communications, Inc. to Xspedius Management Co. Switched Services, LLC, and the transfer of IXC Certificate No. 5339 from ACSI Local Switched Services, Inc. d/b/a e.spire Communications, Inc. to Xspedius Management Co. Switched Services, LLC?

RECOMMENDATION: Yes.

ISSUE 2: Should the Commission relieve the Xspedius operating entities in this instance of the carrier selection requirements in Rule 25-4.118, Florida Statutes?

RECOMMENDATION: Yes.



~~WAPA~~ of Docket No. 020535-TP - Request for approval of transfer of  
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substantially all assets, including customer contracts, of e.spire operating entities to Xspedius operating entities; application for transfer of ALEC Certificate 4722 from American Communication Services of Jacksonville, Inc. d/b/a e.spire to Xspedius Management Co. of Jacksonville, LLC, for transfer of ALEC Certificate No. 5474 from ACSI Local Switched Services, Inc. d/b/a e.spire Communications, Inc. to Xspedius Management Co. Switched Services, LLC, and for transfer of IXC Certificate No. 5339 from ACSI Local Switched Services, Inc. d/b/a e.spire Communications, Inc. to Xspedius Management Co. Switched Services, LLC, and request for waiver of carrier selection requirement of Rule 25-4.118, F.A.C.

(Continued from previous page)

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: Jaber, Deason, Baez, Palecki, Bradley

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13\*\*PAA

Docket No. 020519-TP - Request for approval of asset purchase agreement whereby NUI Telecom, Inc. (holder of ALEC Certificate No. 7328 and IXC Certificate No. 4824) will purchase business and substantially all telecommunications assets of Telcorp Ltd. Company (holder of IXC Certificate No. 3160), request for waiver of carrier selection requirements of Rule 25-4.118, F.A.C., and request for cancellation of IXC Certificate No. 3160.

Critical Date(s): None

Commissioners Assigned: Full Commission  
Prehearing Officer: Administrative

Staff: CMP: Williams  
GCL: Teitzman

ISSUE 1: Should the Commission approve the request for approval of the asset purchase agreement whereby NUI Telecom, Inc. (holder of ALEC Certificate No. 7328 and IXC Certificate No. 4824) will purchase the business and substantially all of the telecommunications assets of Telcorp Ltd. Company (holder of IXC Certificate No. 3160), and request for cancellation of Telcorp Ltd. Company's IXC Certificate No. 3160?

RECOMMENDATION: Yes.

ISSUE 2: Should the Commission relieve NUI Telecom, Inc. in this instance of the carrier selection requirements in Rule 25-4.118, Florida Administrative Code?

RECOMMENDATION: Yes.

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: Jaber, Deason, Baez, Palecki, Bradley

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14\*\*

Docket No. 011345-GU - Application for authorization to issue common stock, preferred stock and secured and/or unsecured debt and to exceed limitation placed on short-term borrowings in 2002, by Florida Division of Chesapeake Utilities Corporation.

Critical Date(s): None

Commissioners Assigned: Full Commission  
Prehearing Officer: Administrative

Staff: ECR: D. Draper  
GCL: Vining

ISSUE 1: Should the Commission grant Chesapeake Utilities' application to modify Order No. PSC-01-2274-FOF-GU, issued November 19, 2001, in order to allow the Company to enter into interest rate swaps on its authorized long-term debt?

RECOMMENDATION: Yes. The Commission should allow the modification to Order No. PSC-01-2274-FOF-GU, in order to allow the Company to enter into interest rate swaps on its authorized long-term debt.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: No. For monitoring purposes, this docket must remain open until April 15, 2003, to allow the Company time to file the required Consummation Report.

DECISION: The recommendations were approved.

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

ITEM NO.

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15\*\*PAA

Docket No. 020332-EI - Request for approval to begin depreciating Sanford Unit No. 5, using whole life depreciation rates currently approved for Martin Power Plant, Unit No. 4 and Common and expand Ft. Myers depreciation rates to include the heat recovery steam generators (HRSGs), effective with in-service date of unit, by Florida Power & Light Company.

Critical Date(s): None

Commissioners Assigned: Full Commission  
Prehearing Officer: Administrative

Staff: ECR: Meeks, P. Lee  
GCL: Vining

ISSUE 1: Should new depreciation rates be approved for Sanford Combined Cycle Unit No. 5?

RECOMMENDATION: Yes. The whole life depreciation rates shown on Attachment A, page 9, of staff's July 11, 2002 memorandum should be approved for the combined cycle units being installed at Sanford Unit No. 5 until a comprehensive study is made. These rates reflect those underlying the currently prescribed remaining life rates for Martin Common and Martin Combined Cycle Unit No. 4.

ISSUE 2: Should the currently prescribed depreciation rates for the Ft. Myers site be expanded to include the six heat recovery steam generators (HRSGs), the steam turbines and the steam assets that will be transferred for use with the combined cycle unit?

RECOMMENDATION: Yes. Staff recommends that the depreciation rates approved in Order No. PSC-00-2434-PAA-EI be utilized for the Ft. Myers Combined Cycle assets. (Attachment B, page 10, of staff's memorandum.)

ISSUE 3: What should be the implementation date for depreciation rates for the Sanford Unit No. 5 and Ft. Myers Combined Cycle units?

RECOMMENDATION: Staff recommends approval of FPL's proposal that depreciation rates be implemented effective with the in-service date of each unit.

~~MSRPAA~~ of Docket No. 020332-EI - Request for approval to begin  
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depreciating Sanford Unit No. 5, using whole life depreciation rates currently approved for Martin Power Plant, Unit No. 4 and Common and expand Ft. Myers depreciation rates to include the heat recovery steam generators (HRSGs), effective with in-service date of unit, by Florida Power & Light Company.

(Continued from previous page)

ISSUE 4: When should FPL's depreciation rates be reviewed?  
RECOMMENDATION: Staff recommends that FPL submit its next comprehensive depreciation study no later than October 31, 2005, with an implementation date of January 1, 2006, for new depreciation rates.

ISSUE 5: 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: Jaber, Deason, Baez, Palecki, Bradley

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16\*\*

Docket No. 020562-EI - Petition to allow customer-owned streetlight monitoring systems to take service under the SL-1 rate by Florida Power & Light Company.

Critical Date(s): 8/4/02 (60-day suspension date)

Commissioners Assigned: Full Commission  
Prehearing Officer: Administrative

Staff: ECR: E. Draper  
GCL: Echternacht

ISSUE 1: Should the Commission approve FPL's proposal to allow customer-owned streetlight monitoring systems to take service under the Streetlighting (SL-1) rate?

RECOMMENDATION: Yes. The Commission should approve FPL's proposal to allow customer-owned streetlight monitoring systems to take service under the Streetlighting (SL-1) rate.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes. If Issue 1 is approved, this tariff should become effective on July 23, 2002. If a protest is filed within 21 days of the issuance of the order, this tariff should remain in effect with any increase held subject to refund pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order.

DECISION: This item was withdrawn.

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17\*\*PAA

Docket No. 010823-WS - Application for staff-assisted rate case in Seminole County by CWS Communities LP d/b/a Palm Valley.

Critical Date(s): 15-month effective date waived

Commissioners Assigned: Full Commission  
Prehearing Officer: Baez

Staff: ECR: Fitch, Edwards, Lingo  
GCL: Harris

ISSUE 1: Should the Commission approve a projected year-end rate base for the utility?

RECOMMENDATION: Yes. The Commission should approve a projected year-end rate base to allow the utility an opportunity to earn a fair return on its investment and to better match rate base with customer growth on a going-forward basis. A projected year-end test year ending July 31, 2003, should be approved.

ISSUE 2: Is the quality of service provided by CWS Communities LP d/b/a Palm Valley (Palm Valley) satisfactory?

RECOMMENDATION: Yes. The quality of service provided by Palm Valley to its customers should be considered satisfactory.

ISSUE 3: What percentage of the utility's water and wastewater treatment plants, water distribution system, wastewater collection system, and reclaimed water system are used and useful?

RECOMMENDATION: The water treatment plant, wastewater treatment plant, water distribution system, wastewater collection system, and the reclaimed water system should be considered 78%, 81%, 100%, 100%, and 100% used and useful, respectively.

ISSUE 4: Should Palm Valley be required to install new water and reuse meters and to initiate a meter replacement program?

RECOMMENDATION: Yes. Staff is recommending that the utility be required to install water and reuse meters which should be in place within six months from the effective date of the order.

ISSUE 5: What is the appropriate test year rate base for this utility?

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case in Seminole County by CWS Communities LP d/b/a Palm Valley.

(Continued from previous page)

RECOMMENDATION: The appropriate projected year-end rate base for the utility is \$499,732 for water and \$864,049 for wastewater.

ISSUE 6: 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 for this utility is 10.51% with a range of 9.51% - 11.51%. The appropriate overall rate of return for this utility is 9.62%.

ISSUE 7: What are the appropriate projected test year revenues?

RECOMMENDATION: The appropriate projected test year revenues for the utility are \$38,613 for water and \$40,342 for wastewater services.

ISSUE 8: What is the appropriate amount of operating expense?

RECOMMENDATION: The appropriate amount of operating expense for this utility is \$65,585 for water and \$240,539 for wastewater.

ISSUE 9: What is the appropriate revenue requirement?

RECOMMENDATION: The appropriate revenue requirement is \$113,659 for water and \$323,661 for wastewater.

ISSUE 10: What is the appropriate reuse revenue requirement and how should recovery of the reuse revenue requirement be allocated between the water, wastewater, and reuse systems?

RECOMMENDATION: The appropriate reuse revenue requirement is \$130,764. The reuse revenue requirement should be allocated so that \$46,592 (36%) is recovered through reuse rates, \$63,129 (48%) is included in water rates, and \$21,043 (16%) is included in the calculation of wastewater rates. Staff's allocations are consistent with the authority prescribed in Section 367.0817(3), Florida Statutes.



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case in Seminole County by CWS Communities LP d/b/a Palm Valley.

(Continued from previous page)

ISSUE 11: What is the appropriate rate for reuse services?

RECOMMENDATION: The appropriate rate for reuse is \$1.15 per 1,000 gallons of usage. 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), Florida Administrative Code, providing the reuse customers have received notice.

ISSUE 12: What is the appropriate residential gallonage cap for wastewater service?

RECOMMENDATION: The appropriate residential gallonage cap for wastewater service should be 6,000 gallons.

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. Specifically, the 2,000-gallon allotment should be removed from the rate structure currently applicable to the Fox Run subdivision, and the master meter rate structure should be removed from the corresponding rate structure applicable to the utility's Palm Valley mobile home park customers. The utility's rate structure should be changed to a traditional base facility charge (BFC)/gallonage charge rate structure applicable to all its customers, **and a negative (reverse) conservation adjustment of 15% should also be implemented.**

ISSUE 14: Is an adjustment to reflect repression of 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 22,388 kgal 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

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case in Seminole County by CWS Communities LP d/b/a Palm Valley.

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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: Should the utility be required to bill all individually metered customers in its service area?

RECOMMENDATION: Yes. The utility should be required to bill all its individually metered water and reuse customers pursuant to Rule 25-30.335, Florida Administrative Code, with the conditions discussed in the analysis portion of staff's June 11, 2002 memorandum.

ISSUE 16: What are the appropriate rates for each system?

RECOMMENDATION: The recommended rates should be designed to produce revenue of \$176,788 for the water system and \$213,940 for the wastewater system, excluding miscellaneous service charges. The approved 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 received by the customers. The utility should provide proof of the date notice was given within 10 days after the date of the notice. Once the utility has completed implementation of rates under Section 723, Florida Statutes, the utility should be required to notify the Commission no later than August 31, 2003, to delete its bulk rate tariff. Staff should be given administrative authority to cancel this tariff upon notification by the utility.

ISSUE 17: What is the appropriate amount by which rates should be reduced four years after the established effective date to reflect the removal of the amortized rate case expense as required by Section 367.0816, Florida Statutes?

RECOMMENDATION: The rates should be reduced, as shown on schedule 4 of staff's memorandum, to remove rate case expense grossed up for regulatory assessment fees and amortized over a four-year period. The decrease in rates

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case in Seminole County by CWS Communities LP d/b/a Palm Valley.

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should become effective immediately following the expiration of the four-year rate case expense recovery period, pursuant to Section 367.0816, Florida Statutes. The utility should be required to file revised tariffs and a proposed customer notice setting forth the lower rates and the reason for the reduction no later than one month prior to the actual date of the required rate reduction.

ISSUE 18: Should the utility's service availability charges be revised?

RECOMMENDATION: Yes. The utility's service availability charges should be revised to include a Plant Capacity Charge of \$1,035, a Main Extension Charge of \$1,178, and a Meter Installation Fee of \$177 for water and reuse customers and a Plant Capacity Charge of \$433 and a Main Extension Charge of \$364 for wastewater. 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. The rates should not be implemented until 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. If revised tariff sheets are filed and approved, the miscellaneous service charges should become effective for connections made on or after the stamped approval date of the revised tariff sheets, provided adequate notice is given, if no protest is filed.

ISSUE 19: What are the appropriate customer deposits for this utility?

RECOMMENDATION: The appropriate customer deposits should be as specified in the analysis portion of staff's 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

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case in Seminole County by CWS Communities LP d/b/a Palm Valley.

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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 20: Should the recommended rates be approved for the utility on a temporary basis, subject to refund, in the event of a protest filed by a party other than the utility?

RECOMMENDATION: Yes. Pursuant to Section 367.0814(7), Florida Statutes, the recommended rates should be approved for the utility on a temporary basis, subject to refund, in the event of a protest filed by a party other than the utility. Prior to implementation of any temporary rates, the utility should provide appropriate security. If the recommended rates are approved on a temporary basis, the rates collected by the utility shall be subject to the refund provisions discussed in the analysis portion of staff's memorandum. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), Florida Administrative Code, the utility should file reports with the Commission's Division of the Commission Clerk and Administrative Services no later than the 20th of each month indicating the monthly and total amount of money subject to refund at the end of the preceding month. The report filed should also indicate the status of the security being used to guarantee repayment of any potential refund.

ISSUE 21: 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 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

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verify completion of pro forma plant items as described in Issue No. 4. Once staff has verified that this work has been completed, the docket should be closed administratively.

DECISION: The recommendations were approved.

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

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<u>ITEM NO.</u>	<u>CASE</u>
18**	<p>Docket No. 020148-WS - Application for amendment of Certificate Nos. 580-W and 500-S to extend service area in Marion and Sumter Counties, by Little Sumter Utility Company.</p> <p>Critical Date(s): None</p> <p>Commissioners Assigned: Full Commission Prehearing Officer: Palecki</p> <p>Staff: ECR: Walden GCL: Echternacht</p> <p><u>ISSUE 1</u>: Should the utility's request to amend its certificated territory be approved? <u>RECOMMENDATION</u>: Yes. The utility's request to amend its certificated territory should be approved. The requested territory is described in Attachment A of staff's July 11, 2002 memorandum. Little Sumter's current rates and charges contained in the utility's approved tariff should be applied to service in the additional territory unless authorized to change by the Commission in a subsequent proceeding.</p> <p><u>ISSUE 2</u>: Should the docket be closed? <u>RECOMMENDATION</u>: Yes. If staff's recommendation in Issue 1 is approved, no further action is required and the docket should be closed.</p> <p><u>DECISION</u>: The recommendations were approved.</p> <p>Commissioners participating: Jaber, Deason, Baez, Palecki, Bradley</p>

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<u>ITEM NO.</u>	<u>CASE</u>
19**	<p>Docket No. 020483-WS - Request for approval of revisions to tariff for irrigation service in Spruce Creek system in Marion and Sumter Counties, and to recognize and approve billing of base facility charge on a monthly basis by Florida Water Services Corporation.</p> <p>Critical Date(s): 8/03/02 (60-day suspension date)</p> <p>Commissioners Assigned: Full Commission Prehearing Officer: Administrative</p> <p>Staff: ECR: Revell, Merchant GCL: Echternacht</p> <p><u>ISSUE 1</u>: Should Florida Water's Irrigation Service Tariff Sheets Nos. 84.2 and 84.3 be revised to require monthly billing of the base facility charge rather than yearly billing?</p> <p><u>RECOMMENDATION</u>: Yes. Florida Water's Irrigation Service Tariff Sheets Nos. 84.2 and 84.3 should be revised to reflect the utility's original intent for monthly billing rather than yearly billing as listed in the filed tariff.</p> <p><u>ISSUE 2</u>: Should this docket be closed?</p> <p><u>RECOMMENDATION</u>: Yes. If no protest occurs within 21 days of the issuance date of the Order, the Tariff Order will become final upon the issuance of a Consummating Order and the docket should be closed.</p>

DECISION: The recommendations were approved.

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

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<u>ITEM NO.</u>	<u>CASE</u>
20	<p>Docket No. 001305-TP - Petition by BellSouth Telecommunications, Inc. for arbitration of certain issues in interconnection agreement with Supra Telecommunications and Information Systems, Inc.</p> <p>Critical Date(s): None</p> <p>Commissioners Assigned: Jaber, Baez, Palecki Prehearing Officer: Palecki</p> <p>Staff: GCL: B. Keating CMP: Simmons</p> <p><u>ISSUE 1</u>: Should the Commission grant Supra's Motion for Stay? <u>RECOMMENDATION</u>: No.</p> <p><u>ISSUE 2</u>: Should this Docket be closed? <u>RECOMMENDATION</u>: No. If the Commission approves staff's recommendation, this Docket should remain open pending approval by the Commission of an interconnection agreement.</p> <p><u>DECISION</u>: The recommendations were approved.</p> <p>Commissioners participating: Jaber, Baez, Palecki</p>



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21                   Docket No. 010503-WU - Application for increase in water rates for Seven Springs System in Pasco County by Aloha Utilities, Inc.

Critical Date(s): 4/10/02 (8-month effective date)

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

Staff:   ECR:  Merchant, Kummer, Willis  
          CAF:  DeMello, P. Johnson  
          GCL:  Jaeger, Holley

ISSUE 1: Should Aloha's Request for Oral Argument on its Motion for Stay be granted?

RECOMMENDATION: Yes. Staff believes that in accordance with Rule 25-22.058(1), Florida Administrative Code, oral argument would aid the Commission in comprehending and evaluating the issues before it as to whether all or only portions of Order No. PSC-02-0593-FOF-WU must be stayed. Therefore, staff recommends that the Commission grant oral argument, and that oral argument be limited to ten minutes for each party.

ISSUE 2: Should the Commission grant the Motion for Stay of Aloha Utilities, Inc., pending judicial review of Order No. PSC-02-0593-FOF-WU?

RECOMMENDATION: The Commission should grant in part and deny in part Aloha's Motion for Stay. Pursuant to the provisions of Rule 25-22.061(1)(a), Florida Administrative Code, the Commission should stay both those provisions of Order No. PSC-02-0593-FOF-WU which require refunds and set new rates. Aloha should be allowed to continue to collect the interim rates and continue escrowing the amounts subject to refund in accordance with Order No. PSC-01-2199-FOF-WU. Also, pursuant to Rule 25-22.061(2)(b), Florida Administrative Code, the Commission should stay those provisions of Order No. PSC-02-0593-FOF-WU which require Aloha to make improvements to Wells Nos. 8 and 9, and then to all its wells, to implement a treatment process designed to remove at least 98 percent of the hydrogen sulfide in its raw water, with such improvements being placed into service by no later than December 31, 2003. All the above requirements

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rates for Seven Springs System in Pasco County by Aloha Utilities, Inc.

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should be stayed pending judicial review. However, the requirement that Aloha submit a plan within 90 days of the date of the Final Order on Appeal showing how it intends to comply with the requirement to remove hydrogen sulfide and that it implement the five Customer Service Measures set forth in the Final Order on Appeal should not be stayed. Aloha should be required to submit the plan within 90 days of the Commission vote on this recommendation, and Aloha should implement the five customer service measures within 120 days of the Commission vote on this recommendation. Moreover, Aloha should be cautioned to proceed with the pilot project as directed in Orders Nos. PSC-00-1285-FOF-WS and PSC-00-1628-FOF-WS. Also, the provision for increasing the interim water service availability charge from \$500 to \$1,000 should not be stayed, and Aloha should comply with the requirements set out in Order No. PSC-02-0593-FOF-WU for increasing its interim water service availability charges. Aloha should be required to submit revised tariff sheets reflecting this \$1,000 interim service availability charge within 20 days of the Commission vote on this recommendation, and comply with all other requirements of Order No. PSC-02-0593-FOF-WU as regards the interim service availability charges.

ISSUE 3: Should this docket be closed?

RECOMMENDATION: The docket should remain open pending the outcome of the appeal.

DECISION: The recommendations were approved with a modification to Issue 2 to include conservation measures.

Commissioners participating: Jaber, Baez, Palecki

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22\*\*PAA

Docket No. 020563-TI - Petition by Qwest Communications International, Inc. for approval of proposed settlement agreement with the Department of Legal Affairs, Office of the Attorney General of the State of Florida.

Critical Date(s): None

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

Staff: CMP: M. Watts  
GCL: L. Fordham

ISSUE 1: Should the Commission acknowledge Qwest Communications International, Inc.'s proposed Settlement Agreement with the Office of the Attorney General of the State of Florida as stated in its petition?

RECOMMENDATION: Yes. Staff recommends that the Commission acknowledge Qwest's proposed Settlement Agreement with the OAG. The Commission should find that the terms of Qwest's proposed Settlement Agreement with the OAG satisfy any potential claims or issues related to apparent violations of Rule 25-4.118, Florida Administrative Code, for the period January 1, 1997 to the date of the Commission's Order acknowledging Qwest's proposed Settlement Agreement with the OAG.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: No. If the Commission approves staff's recommendation, this docket should remain open pending the execution of the proposed Settlement Agreement between the Office of the Attorney General of the State of Florida and Qwest Communications International, Inc. If no timely protest to the proposed agency action order is filed within

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International, Inc. for approval of proposed settlement agreement with the Department of Legal Affairs, Office of the Attorney General of the State of Florida.

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21 days of the date of issuance of the Order, the Order will become final upon issuance of a Consummating Order. Thereafter, this docket should be closed upon staff's verification of the execution of the proposed Settlement Agreement between the Office of the Attorney General of the State of Florida and Qwest Communications International, Inc.

DECISION: The recommendations were approved with an amendment to Paragraph 31 in the settlement.

Commissioners participating: Deason, Baez, Palecki

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23\*\*

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

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

Critical Date(s): None

Commissioners Assigned: Baez, Palecki, Bradley

Prehearing Officer: Bradley

Staff: CMP: Buys, Fondo

CAF: Durbin, McHargue

GCL: Christensen, Dodson

ISSUE 1: Should the Commission accept Talk America's settlement offer to make a voluntary payment of \$240,000, in 36 equal monthly installments, to the State of Florida General Revenue Fund to resolve 522 apparent violations of Rule 25-4.118, Florida Administrative Code, Toll, Local Toll, or Toll Provider Selection, 105 apparent violations of Section 364.604(2), Florida Statutes, Billing Practices, and 30 apparent violations of Rule 25-22.032(5)(a), Florida Administrative Code, Customer Complaints?

PRIMARY RECOMMENDATION: No. The Commission should not accept Talk America's settlement offer to make a voluntary payment of \$240,000 to the State of Florida General Revenue Fund to resolve 522 apparent violations of Rule 25-4.118, Florida Administrative Code, Toll, Local Toll, or Toll Provider Selection, 105 apparent violations of Section 364.604(2), Florida Statutes, Billing Practices, and 30 apparent violations of Rule 25-22.032(5)(a), Florida Administrative Code, Customer Complaints, and consequently, this matter should proceed to a hearing.

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Florida for investigation of Talk America Inc. and its affiliate, The Other Phone Company, Inc. d/b/a Access One Communications, for willful violation of Rule 25-4.118, F.A.C.

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

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PAA

ALTERNATIVE RECOMMENDATION: Yes. The Commission should accept Talk America's settlement offer to make a voluntary payment of \$240,000 to the State of Florida General Revenue Fund. The payment should be made in 36 equal monthly intervals in the amount of \$6,666.67 each. The first payment should be received within 30 calendar days from the issuance date of the Commission's Consummating Order and should identify the docket number and company name. Each subsequent payment should be due within 30-day intervals following the first payment and should also identify the docket number and company name. The Commission should forward the payments to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. In addition, if staff's alternative recommendation is approved, then all pending motions would be rendered moot.

ISSUE 2: Should these two dockets be closed?

RECOMMENDATION: No. If the Commission approves staff's primary recommendation, these dockets should remain open pending the resolution of the show cause proceedings and subsequent hearing. However, if the Commission approves staff's alternative recommendation, the order will be issued as a Proposed Agency Action (PAA). In the event that a person whose substantial interests are affected by the PAA order files a protest within 21 days of the issuance of the order, this docket should remain open pending resolution of the protest. If the Commission approves staff's alternative

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Florida for investigation of Talk America Inc. and its affiliate, The Other Phone Company, Inc. d/b/a Access One Communications, for willful violation of Rule 25-4.118, F.A.C.

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

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recommendation, and no protest is received, the Order will become final upon issuance of a Consummating Order. Thereafter, Talk America should have 30 calendar days from the issuance of the Commission's consummating order to remit its first payment of \$6,667.67. Both dockets should remain open until Talk America remits all 35 subsequent payments of \$6,666.67 each. Upon remittance of all 36 payments, totaling \$240,000, both dockets should then be closed administratively.

DECISION: This item was deferred.

ITEM NO.

CASE

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24\*\*PAA

Docket No. 011481-WS - Application for staff-assisted rate case in Polk County by Bieber Enterprises, Inc. d/b/a Breeze Hill Utilities, holder of Certificate Nos. 598-W and 513-S.

Critical Date(s): 4/18/03 (15-month effective date)

Commissioners Assigned: Baez, Palecki, Bradley  
Prehearing Officer: Palecki

Staff: ECR: Rendell, Davis, Lingo  
GCL: Harris

ISSUE 1: Should the quality of service provided by Breeze Hill be considered satisfactory?

RECOMMENDATION: The quality of service provided by Breeze Hill should be considered satisfactory.

ISSUE 2: What portions of Breeze Hill are used and useful?

RECOMMENDATION: The Breeze Hill water treatment plant, water distribution system, and wastewater collection system are considered 100% used and useful; the wastewater treatment plant is considered to be 56.63% used and useful.

ISSUE 3: What is the utility's appropriate average test year rate base?

RECOMMENDATION: The appropriate average test year rate base should be \$68,257 for the water system and \$45,552 for the wastewater system.

ISSUE 4: 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 10.69% with a range of 9.69% to 11.69% and the appropriate overall rate of return should be 9.30% with a range of 8.73% to 9.86%.

ISSUE 5: What is the appropriate test year revenue for this utility?

RECOMMENDATION: The appropriate test year revenue should be \$24,606 for the water system and \$26,314 for the wastewater system.



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case in Polk County by Bieber Enterprises, Inc. d/b/a Breeze Hill Utilities, holder of Certificate Nos. 598-W and 513-S.

(Continued from previous page)

ISSUE 6: What is the appropriate amount of operating expense?

RECOMMENDATION: The appropriate amount of operating expense is \$23,776 for the water system and \$30,118 for the wastewater system.

ISSUE 7: What is the appropriate revenue requirement for each system?

RECOMMENDATION: The appropriate revenue requirement should be \$30,124 for water and \$34,355 for wastewater.

ISSUE 8: Is a continuation of the current base facility charge (BFC)/gallage charge rate structure appropriate for this utility?

RECOMMENDATION: Yes. A continuation of the current rate structure is appropriate for this utility. **However, a negative (reverse) conservation adjustment of 40% should be made.**

ISSUE 9: Is an adjustment to reflect repression of consumption appropriate due to the price increase in this case, and, if so, what are the appropriate repression adjustments for the water and wastewater systems?

RECOMMENDATION: Yes. A repression adjustment of 331 kgal is appropriate for the water system, with a corresponding adjustment of 265 kgal for the wastewater system. In order to monitor the effects of 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 10: What are the appropriate water and wastewater rates?

RECOMMENDATION: The recommended rates should be as shown in the analysis portion of staff's July 11, 2002 memorandum. The utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates.

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case in Polk County by Bieber Enterprises, Inc. d/b/a Breeze Hill Utilities, holder of Certificate Nos. 598-W and 513-S.

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The approved 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 received by the customers. The utility should provide proof of the date notice was given within 10 days after the date of the notice. Staff should be given administrative authority to approve the tariff sheets upon staff verification that the tariffs are consistent with the Commission's decision.

ISSUE 11: What is the appropriate amount by which rates should be reduced four years after the established effective date to reflect the removal of the amortized rate case expense as required by Section 367.0816, Florida Statutes?

RECOMMENDATION: The water and wastewater rates should be reduced as shown on Schedules 4A and 4B of staff's memorandum, to remove rate case expense grossed up for regulatory assessment fees and amortized over a four year period. The decrease in rates should become effective immediately following the expiration of the four-year rate case expense recovery period, pursuant to Section 367.0816, Florida Statutes. The utility should be required to file revised tariffs and a proposed customer notice setting forth the lower rates and the reason for the reduction no later than one month prior to the actual date of the required rate reduction. If the utility files this reduction in conjunction with a price index or pass-through rate adjustment, separate data should be filed for the price index and/or pass-through increase or decrease and the reduction in the rates due to the amortized rate case expense.

ISSUE 12: 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

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case in Polk County by Bieber Enterprises, Inc. d/b/a Breeze Hill Utilities, holder of Certificate Nos. 598-W and 513-S.

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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. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), Florida Administrative Code, the utility should file reports with the Division of the Commission Clerk and Administrative Services no later than 20 days after each monthly billing. These reports should indicate the amount of revenue collected under the increased rates.

ISSUE 13: Should the docket be closed?

RECOMMENDATION: Yes. If no timely protest is filed by a substantially affected person, this docket should be closed upon the issuance of a Consummating Order.

DECISION: The recommendations were approved.

Commissioners participating: Baez, Palecki, Bradley