

MINUTES OF MAY 6, 2003

COMMISSION CONFERENCE

COMMENCED: 9:32 a.m.

ADJOURNED: 3:54 p.m.

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

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

1Approval of Minutes

April 1, 2003 Regular Commission Conference

April 9, 2003 Special Commission Conference

DECISION: The minutes were approved.

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

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ITEM NO. CASE

2**Consent Agenda

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

<u>DOCKET NO.</u>	<u>COMPANY NAME</u>
030336-TX	Access Communications, LLC.
030333-TX	Metric Systems Corporation

PAA B) Applications for certificates to provide interexchange telecommunications service.

<u>DOCKET NO.</u>	<u>COMPANY NAME</u>
030235-TI	Via One Technologies, Inc.
030066-TI	Bee Line Long Distance, LLC d/b/a Hello Telecom
030074-TI	Better World Telecom, Inc.
021258-TI	International InterConnect, Inc.
030135-TI	Outside Connection, Inc.
030338-TI	CRISTEL TELECOM, INC.

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

<u>DOCKET NO.</u>	<u>COMPANY NAME</u>
030204-TC	SouthCom Telecommunications Co., Inc.
030276-TC	Barry Linus Murdock
030287-TC	Quarter Payphones, Inc.
030081-TC	SOUTHERN PUBLIC COMMUNICATIONS, LLC

PAA D) Requests for cancellation of interexchange telecommunications certificates.

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2** Consent Agenda

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<u>DOCKET NO.</u>	<u>COMPANY NAME</u>	<u>EFFECTIVE DATE</u>
030244-TI	XO Long Distance Services, Inc.	02/28/03
030278-TI	Lockheed Martin Global Telecommunications Services, Inc.	12/30/02
030303-TI	ComScape Communications, Inc.	03/11/03

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, Bradley, Davidson

ITEM NO.

CASE

3Docket No. 030159-EU - Petition by City of Parker for declaratory statement concerning City's application of its Comprehensive Plan, Land Development Regulations, and City Codes and Ordinances to Gulf Power Company's proposed aerial power transmission line planned to travel from private property located within the City, crossing the shoreline of the City, and running across St. Andrew Bay.

Critical Date(s): Final order must be issued by May 12, 2003.

Commissioners Assigned: Full Commission
Prehearing Officer: Davidson

Staff: GCL: Stern
ECR: Breman

ISSUE 1: Should the Commission grant Gulf Power Company's Request for Oral Argument to Address the Commission at Agenda and/or Section 120.57(2) Hearing?

RECOMMENDATION: The Commission should allow the parties to make oral presentations at the agenda conference on the merits of the Petition for Declaratory Statement and Response in Opposition. Oral presentations should not be made for the Motion to Dismiss. Oral presentations should be limited to 10 minutes per side.

DECISION: The recommendation was approved.

ISSUE 2: Should the Commission grant Gulf Power Company's Motion to Dismiss?

RECOMMENDATION: No. The Motion to Dismiss should be denied because the question presented is appropriate for resolution through a declaratory statement.

DECISION: The recommendation was approved.

ITEM NO.

CASE

3

Docket No. 030159-EU - Petition by City of Parker for declaratory statement concerning City's application of its Comprehensive Plan, Land Development Regulations, and City Codes and Ordinances to Gulf Power Company's proposed aerial power transmission line planned to travel from private property located within the City, crossing the shoreline of the City, and running across St. Andrew Bay.

(Continued from previous page)

ISSUE 3: How should the Commission answer the question presented by the City of Parker in its Petition for Declaratory Statement?

RECOMMENDATION: The Commission should find that its authority preempts the City of Parker's application of its Comprehensive Plan, Land Development Regulations, and City Codes and Ordinances, with respect to Gulf Power Company's proposed transmission line.

DECISION: The recommendation was approved. The Commission has statutory authority to assure that service is provided in an adequate, reliable and cost-effective manner. In addition, the declaratory statement should contain provisions that capture the essence of staff's proposed declaratory statement. Language may be added that, with respect to resolving the issue of whether Gulf's proposed transmission line within the City of Parker should be aerial or underground, the jurisdiction of the Commission preempts the City of Parker's jurisdiction.

ISSUE 4: Should this docket be closed?

RECOMMENDATION: Yes. If the Commission disposes of the Petition for Declaratory Statement the docket should be closed.

DECISION: The recommendation was approved.

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

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ITEM NO.

CASE

4**Docket No. 020507-TL - Complaint of Florida Competitive Carriers Association against BellSouth Telecommunications, Inc. regarding BellSouth's practice of refusing to provide FastAccess Internet Service to customers who receive voice service from a competitive voice provider, and request for expedited relief. (Deferred from April 1, 2003 conference; revised recommendation filed.)

Critical Date(s): None

Commissioners Assigned: Full Commission
Prehearing Officer: Baez

Staff: GCL: Christensen
CMP: Kelly, Ileri, Pittman, Casey

ISSUE 1: Should the Commission approve the Parties' Joint Motion for Approval of Settlement Agreement?

RECOMMENDATION: Yes. Staff recommends that the Commission should approve the Parties' Joint Motion for Approval of Settlement Agreement.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: No. This docket should remain open pending further proceedings.

DECISION: The recommendations were approved.

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

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ITEM NO.

CASE

5**PAADocket No. 021178-TL - Complaint of Delia Smith against GTC, Inc. d/b/a GT Com for unauthorized charges to phone bill. (Deferred from February 18, 2003 conference; revised recommendation filed.)

Critical Date(s): None

Commissioners Assigned: Full Commission
Prehearing Officer: Bradley

Staff: GCL: Dodson
CAF: Plescow
CMP: Mathis

ISSUE 1: Should the Commission deny Complaint No. 450414T, filed by Ms. Delia Smith against GT Com?

RECOMMENDATION: Yes. The Commission should deny Complaint No. 450414T filed by Ms. Delia Smith. Ms. Smith has failed to show that charges to her GT Com bill were not justified or that GT Com failed to properly credit her accounts for payments made. Finally, the total local exchange and long distance charges on her bill at the time she filed the complaint have been removed by the company.

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 upon issuance of a Consummating Order.

DECISION: The recommendations were approved.

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

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ITEM NO.

CASE

6**PAADocket No. 030273-TC - Bankruptcy cancellation by Florida
Public Service Commission of PATS Certificate No. 7418
issued to Alpha Tel-Com, Inc., effective 3/17/03.

Critical Date(s): None

Commissioners Assigned: Full Commission
Prehearing Officer: Administrative

Staff: CMP: Isler
GCL: Rojas

ISSUE 1: Should the Commission grant Alpha Tel-Com, Inc.'s
request for cancellation of its PAT Certificate No. 7418
due to bankruptcy?

RECOMMENDATION: Yes. The Commission should grant the
company a bankruptcy cancellation of its PAT Certificate No.
7418 with an effective date of March 17, 2003. In addition,
the Division of the Commission Clerk and Administrative
Services will be notified that the 2002 and 2003 RAFs, plus
penalty and interest charges for the years 2001 and 2002,
should not be sent to the Florida Department of Financial
Services 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 pay telephone service in Florida.

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, Bradley, Davidson

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7**PAA Docket No. 030139-EI - Request for approval to begin depreciating Sanford Unit No. 4 using whole life depreciation rates currently approved for Martin Power Plant, Unit No. 4, by Florida Power & Light Company.

Critical Date(s): None

Commissioners Assigned: Full Commission
Prehearing Officer: Baez

Staff: ECR: P. Lee, Breman
GCL: Brown

ISSUE 1: Should new depreciation rates be approved for Florida Power & Light's Sanford Unit No. 4?

RECOMMENDATION: Yes. The whole life depreciation rates shown on Attachment A of staff's April 24, 2003 memorandum should be approved for the repowered Sanford Unit No. 4, pending a comprehensive study in 2005 pursuant to Order No. PSC-02-1103-PAA-EI issued August 12, 2002, in Docket No. 020332-EI. The rates reflect those underlying the currently prescribed remaining life rates for Martin Common and Unit No. 4.

ISSUE 2: What should be the implementation date for depreciation rates for Sanford Unit 4?

RECOMMENDATION: Depreciation rates should be implemented March 1, 2003, effective with the in-service date of the unit, as FPL has proposed.

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: Jaber, Deason, Baez, Bradley, Davidson

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8**Docket No. 020344-SU - Application for rate increase in
Monroe County by Key Haven Utility Corporation.

Critical Date(s): None

Commissioners Assigned: Full Commission

Prehearing Officer: Bradley

Staff: ECR: Boutwell, Merchant

GCL: Jaeger

ISSUE 1: Should the OPC's Notice of Withdrawal of Protest
to Proposed Agency Action Order No. PSC-03-0351-PAA-SU be
acknowledged and that order become final?

RECOMMENDATION: Yes. The Withdrawal of Protest to Proposed
Agency Action Order No. PSC-03-0351-PAA-SU should be
acknowledged and the provisions of that order should be made
final and effective on May 6, 2003.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes. If the Commission approves Issue 1 of
this recommendation, the escrow agreement should be
cancelled, no further action is necessary in this docket,
and the docket should be closed.

DECISION: The recommendations were approved.

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

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9**PAA Docket No. 020407-WS - Application for rate increase in Polk County by Cypress Lakes Utilities, Inc.

Critical Date(s): Extended to 5/6/03 (5-month effective date - PAA rate case)

Commissioners Assigned: Full Commission
Prehearing Officer: Deason

Staff: ECR: Joyce, Greene, Revell, Edwards, Merchant,
Hudson, Lingo, Fitch
AUS: Vandiver
GCL: Harris, Echternacht

ISSUE 1: Is the quality of service provided by Cypress Lakes satisfactory?

RECOMMENDATION: Yes. The quality of service should be considered satisfactory.

DECISION: The recommendation was approved.

ISSUE 2: Should adjustments be made to organization and franchise costs?

RECOMMENDATION: Yes. Cypress Lakes' organization and franchise costs should be reduced by \$80,551 for water and \$28,321 for wastewater, respectively, to reclassify them as below the line acquisition costs. Corresponding adjustments are also necessary to decrease accumulated depreciation and depreciation expense as follows:

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	<u>Water</u>	<u>Wastewater</u>
Organization Costs	(\$80,551)	(\$10,115)
Franchise Fees	\$0	(\$18,206)
Accumulated Depreciation	(\$4,863)	(\$1,714)
Depreciation Expense	(\$2,030)	(\$795)
Land	\$0	\$2,610

DECISION: The recommendation was approved.

ISSUE 3: Should adjustments be made to utility plant in service to remove unapproved Allowance for Funds Used During Construction (AFUDC) accruals, unsupported plant, and plant never placed in service?

RECOMMENDATION: Yes. Average water and wastewater utility plant in service should be reduced by \$6,413 and \$29,586, respectively. Average accumulated depreciation should be reduced by \$724 and \$595, respectively; and depreciation expense should be reduced by \$392 and \$1,506, respectively.

DECISION: The recommendation was approved.

ISSUE 4: Should adjustments be made to plant for common rate base allocations from UIF and WSC?

RECOMMENDATION: Yes. Cypress Lakes' common plant allocation from UIF should be decreased by \$17,187 for water and increased by \$16,539 for wastewater. Corresponding adjustments should be made to reduce accumulated depreciation by \$3,978 for water and increase by \$3,298 for wastewater. Depreciation expense should be reduced by \$256

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and \$247 for water and wastewater, respectively. Also, adjustments should be made to increase WSC's rate base allocation by \$9,481 and \$10,018 for water and wastewater, respectively.

DECISION: The recommendation was approved.

ISSUE 5: What is the appropriate used and useful percentage for the water treatment plant?

RECOMMENDATION: The water treatment plant should be considered 100% used and useful.

DECISION: The recommendation was approved.

ISSUE 6: What is the level of unaccounted for water, is any portion excessive, and, if so, should any adjustments be made?

RECOMMENDATION: The test year unaccounted for water level is 11.2772%, of which 1.72% is excessive. No adjustment is necessary to the used and useful calculation because the plant is 100% used and useful before consideration of growth. However, purchased power and chemical expenses should be reduced by \$124 and \$47, respectively.

DECISION: The recommendation was approved with the noted correction.

ISSUE 7: What is the used and useful percentage for the utility's wastewater treatment plant?

RECOMMENDATION: The wastewater treatment plant should be considered 71.66% used and useful. This results in a net non-used and useful plant balance of \$200,004 and a reduction to the utility's rate base of \$68,411. A corresponding adjustment should also be made to reduce depreciation expense by \$1,490 for non-used and useful plant.

DECISION: The recommendation was approved.

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ISSUE 8: What are the used and useful percentages for the utility's wastewater collection and water distribution systems?

RECOMMENDATION: The wastewater collection and water distribution systems should be considered 100% used and useful.

DECISION: The recommendation was approved.

ISSUE 9: Should adjustments be made to the contributions in aid of construction (CIAC) and accumulated amortization of CIAC accounts?

RECOMMENDATION: Yes. Water CIAC balances should be increased by \$18,100 related to unrecorded 1998-2000 additions to water CIAC. Further, accumulated amortization of CIAC should be increased by \$3,364 and \$2,604 for water and wastewater, respectively, to reflect the proper accruals and amortization rates. Corresponding adjustments should be made to reduce water and wastewater CIAC amortization expense by \$1,153 and \$2,315, respectively. Additionally, the utility should be required to calculate its accumulated amortization of CIAC accruals by specific account as required by Rule 25-30.140(8), F.A.C.

DECISION: The recommendation was approved.

ISSUE 10: What is the appropriate working capital allowance?

RECOMMENDATION: The appropriate amount of working capital is \$10,701 for water and \$17,915 for wastewater based on the formula method.

DECISION: The recommendation was approved.

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ISSUE 11: What is the appropriate rate base?

RECOMMENDATION: The appropriate water rate base for the test year ending December 31, 2001 is \$730,290. The appropriate wastewater rate base for the period ending December 31, 2001 is \$897,212.

DECISION: The recommendation was approved.

ISSUE 12: Are any adjustments necessary to CLU's capital structure and what is the appropriate weighted cost of capital including the proper components, amounts and cost rates associated with the capital structure for the test year ending December 31, 2001?

RECOMMENDATION: Yes. Adjustments should be made to use the correct debt rates and to include Cypress Lakes' balance of accumulated deferred income taxes at a zero cost rate. The resulting overall cost of capital should be 9.23%, with a range of 8.78% to 9.68%. The return on equity (ROE) should be 10.93%, with a range of 9.93% to 11.93%.

DECISION: The recommendation was approved.

ISSUE 13: Should an AFUDC rate be approved, and if so, what is the appropriate annual rate, monthly discounted rate, and the effective date for Cypress Lakes?

RECOMMENDATION: Yes. Since the utility does not currently have an authorized AFUDC rate, the Commission, on its own motion, should establish such a rate. The utility should be authorized to implement an AFUDC rate of 9.23%, on an annual basis, with a monthly discounted rate of 0.768680%. These charges should be effective for projects as of January 1, 2002.

DECISION: The recommendation was approved.

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ISSUE 14: Should adjustments be made to operation and maintenance (O&M) expense to remove incorrect beginning and ending year accruals, unsupported expense additions, and improperly recorded expenses?

RECOMMENDATION: Yes. O&M expenses should be reduced by a total of \$1,029 for water and \$1,922 for wastewater.

DECISION: The recommendation was approved.

ISSUE 15: Should an adjustment be made to the O&M expense allocation from WSC?

RECOMMENDATION: Yes. O&M expenses should be reduced by \$1,426 for water and \$1,381 for wastewater.

DECISION: The recommendation was approved.

ISSUE 16: Should adjustments be made to salaries and pensions and benefit expense to include the proper level of allocated expenses?

RECOMMENDATION: Yes. The utility should reduce water and wastewater salary-related expenses as follows:

	<u>Water</u>	<u>Wastewater</u>
Salary Expense	(\$3,478)	(\$3,368)
Pension & Benefits	(\$11,699)	(\$11,328)
Payroll Taxes	(\$4,008)	(\$3,881)

DECISION: The recommendation was approved.

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9**PAA

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ISSUE 17: What is the appropriate amount of rate case expense?

RECOMMENDATION: The appropriate rate case expense for this docket is \$56,943. This expense is to be recovered over four years for an annual expense of \$14,236. Since the utility erroneously amortized its rate case expense over 8 instead of 4 years, staff recommends that the test year amortization be increased by \$3,312 and \$3,205, for water and wastewater respectively.

DECISION: The recommendation was approved.

ISSUE 18: What is the test year water and wastewater operating income before any revenue increase?

RECOMMENDATION: Based on the adjustments discussed in previous issues, staff recommends that the test year water operating income before any provision for increased revenues should be (\$5,844). The test year wastewater operating income before any provision for increased revenues should be \$35,464.

DECISION: The recommendation was approved.

ISSUE 19: What is the appropriate revenue requirement?

RECOMMENDATION: The following revenue requirement should be approved.

	Test Year <u>Revenues</u>	\$ <u>Increase</u>	Revenue <u>Requirement</u>	% <u>Increase</u>
Water	\$114,551	\$122,955	\$237,506	107.34%
Wastewater	\$234,778	\$79,463	\$314,241	33.85%

DECISION: The recommendation was approved.

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ISSUE 20: Is a continuation of the utility's current inclining-block rate structure for its residential water system customers appropriate in this case?

RECOMMENDATION: Yes. A continuation of the utility's current inclining-block rate structure for its residential water system customers is appropriate. Staff recommends no change to the usage blocks or usage block rate factors. No conservation adjustment is recommended.

DECISION: The recommendation was approved.

ISSUE 21: What is the appropriate general service gallonage charge?

RECOMMENDATION: The general service gallonage charge should be the uniform gallonage charge calculated as if that charge were applicable to all customers.

DECISION: The recommendation was approved.

ISSUE 22: Are adjustments to reflect repression of residential consumption appropriate in this case, and, if so, what are the appropriate adjustments?

RECOMMENDATION: Yes. Repression adjustments of 9,196.3 kgal to residential water consumption and 7,357.0 kgal to residential wastewater consumption are appropriate. In order to monitor the effects of the recommended revenue changes, 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.

DECISION: The recommendation was approved.

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9**PAA

Docket No. 020407-WS - Application for rate increase in Polk County by Cypress Lakes Utilities, Inc.

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ISSUE 23: What are the appropriate water and wastewater rates?

RECOMMENDATION: The appropriate monthly rates are shown on Schedules 4-A and 4-B of staff's April 24, 2003 memorandum. Staff's recommended rates are designed to produce water and wastewater revenues of \$234,677 and \$314,241, respectively, excluding miscellaneous service charge revenues. The utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date of the revised tariff sheets pursuant to Rule 25-30.475(1), Florida Administrative Code. The rates should not be implemented until staff has approved the proposed customer notice, and after the notice is received by the customers. The utility should provide proof of the date notice was given no less than 10 days after the date of the notice.

DECISION: The recommendation was approved.

ISSUE 24: In determining whether any portion of the interim increase granted should be refunded, how should the refund be calculated, and what is the amount of the refund, if any?

RECOMMENDATION: The proper refund amount should be calculated by using the same data used to establish final rates, excluding rate case expense. This revised revenue requirement for the interim collection period should be compared to the amount of interim revenues granted. Based on this calculation, the utility should be required to refund 9.36% of water and 7.03% of wastewater revenues collected under interim rates. The refund should be made

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9**PAA

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with interest in accordance with Rule 25-30.360(4), Florida Administrative Code. The utility should treat any unclaimed refunds as CIAC pursuant to Rule 25-30.360(8), Florida Administrative Code.

DECISION: The recommendation was approved.

ISSUE 25: Should the utility be required to file a tariff for reuse service, and if so, what is the appropriate reuse rate?

RECOMMENDATION: Yes. The utility should be required to file a tariff for reuse service. The appropriate reuse rate is a rate of \$0, for the Cypress Lakes Golf Course (golf course). The utility should file revised tariff sheets which are consistent with the Commission's vote within one month of the Commission's final vote. The revised tariff sheets should be approved upon staff's verification that the tariffs are consistent with the Commission's decision. 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.

DECISION: The recommendation was approved.

ISSUE 26: 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 \$7,576 for water and \$7,331 for wastewater rate case expense, grossed up for regulatory assessment fees, which are being 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

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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.

DECISION: The recommendation was approved.

ISSUE 27: Should the utility be required to show cause, in writing within 21 days, why it should not be fined \$3,000 for its apparent violation of Rule 25-30.115, Florida Administrative Code, and Order Nos. PSC-00-1528-PAA-WU, issued August 23, 2000, and PSC-00-2388-AS-WU, issued December 31, 2000, for its failure to maintain its books and records in conformance with the National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts (USOA)?

RECOMMENDATION: Yes. The utility should be required to show cause, in writing within 21 days, why it should not be fined \$3,000 for its apparent violation of Rule 25-30.115, Florida Administrative Code, for its failure to maintain its books and records in conformance with the NARUC USOA. The order to show cause should incorporate the conditions stated in the analysis portion of staff's memorandum.

DECISION: The recommendation was approved with the modification that the utility was directed to submit a plan for bringing the books and records into compliance.

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9**PAA

Docket No. 020407-WS - Application for rate increase in Polk County by Cypress Lakes Utilities, Inc.

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ISSUE 28: Should this docket be closed?

RECOMMENDATION: No. If no person whose substantial interests are affected by the PAA issues files a protest within 21 days of the issuance of the order, a consummating order will be issued. This docket should remain open pending completion of these matters: staff's verification that the revised tariff sheets and customer notice have been filed by the utility and approved by staff, the refund has been completed and verified by staff, and the disposition of the show cause recommendation in Issue 27. Once the tariff and refund actions are complete, the corporate undertaking may be released. When the PAA issues are final, the tariff and notice actions are complete, and the show cause has been resolved, this docket may be closed administratively.

DECISION: The recommendation was approved.

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

<u>ITEM NO.</u>	<u>CASE</u>
10**Docket No.	020484-WS - Application for transfer of facilities and Certificates Nos. 616-W and 530-S from Labrador Services, Inc. to Labrador Utilities, Inc. in Pasco County.
	Critical Date(s): None
	Commissioners Assigned: Full Commission Prehearing Officer: Baez
	Staff: ECR: Brady, Rieger, Bass GCL: Brubaker
	<u>ISSUE 1</u> : Should the transfer of facilities and Certificate Nos. 616-W and 530-S from Labrador Services, Inc. to Labrador Utilities, Inc. be approved? <u>RECOMMENDATION</u> : Yes. The transfer is in the public interest and should be approved. The territory authorized for Certificate Nos. 616-W and 530-S is described in Attachment A of staff's April 24, 2003 memorandum. The buyer is responsible for filing the utility's 2002 annual report in the time frame and manner prescribed by Commission rules.
PAA	<u>ISSUE 2</u> : What is the rate base for Labrador Services, Inc.'s water and wastewater systems at the time of the transfer? <u>RECOMMENDATION</u> : The rate base is \$268,994 for water and \$882,393 for wastewater as of May 31, 2002. The utility should be required to use the average service lives guideline prescribed by Rule 25-30.140, Florida Administrative Code, for all depreciation recorded after May 31, 2002.
PAA	<u>ISSUE 3</u> : Should a negative acquisition adjustment be approved? <u>RECOMMENDATION</u> : No. A negative acquisition adjustment should not be included in the calculation of rate base for transfer purposes. <u>ISSUE 4</u> : Should the utility's existing rates and charges be continued? <u>RECOMMENDATION</u> : Yes. The existing rates and charges for the utility should be continued until authorized to change by the Commission in a subsequent proceeding. The tariff

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Docket No. 020484-WS - Application for transfer of facilities and Certificates Nos. 616-W and 530-S from Labrador Services, Inc. to Labrador Utilities, Inc. in Pasco County.

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sheets reflecting the existing rates and charges should be effective for services rendered or connections made on or after the stamped approval date.

ISSUE 5: Should the docket be closed?

RECOMMENDATION: Yes. If no timely protest is received to the proposed agency action issues on rate base and acquisition adjustment, a Consummating Order should be issued upon the expiration of the protest period closing the docket.

DECISION: The recommendations were approved with Commissioner Deason dissenting on Issue 3.

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

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<u>ITEM NO.</u>	<u>CASE</u>
11**Docket No.	021142-WU - Application for amendment of Certificate No. 441-W to extend water service area for 48 Estates System in Lake County by AquaSource Utility, Inc.
	Critical Date(s): None
	Commissioners Assigned: Full Commission Prehearing Officer: Davidson
	Staff: ECR: Redemann GCL: Crosby, Helton
	<u>ISSUE 1:</u> Should AquaSource Utility, Inc. be ordered to show cause in writing within 21 days why it should not be fined for its apparent violation of Section 367.045, Florida Statutes?
	<u>RECOMMENDATION:</u> No. A show cause proceeding should not be initiated.
	<u>ISSUE 2:</u> Should AquaSource's application to amend Certificate No. 441-W granted?
	<u>RECOMMENDATION:</u> Yes. AquaSource's amendment application to expand its territory should be granted. The proposed territory amendment is described in Attachment A of staff's April 24, 2003 memorandum. Attachment B includes a composite territory description of the 48 Estates System. AquaSource should charge the customers in the territory added herein the rates and charges contained in its tariff until authorized to change by this Commission in a subsequent proceeding.
	<u>ISSUE 3:</u> Should this docket be closed?
	<u>RECOMMENDATION:</u> Yes. No further action is required and the docket should be closed.

DECISION: The recommendations were approved.

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

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12Docket No. 010795-TP - Petition by Sprint Communications Company Limited Partnership for arbitration with Verizon Florida Inc. pursuant to Section 251/252 of the Telecommunications Act of 1996.

Critical Date(s): None

Commissioners Assigned: Baez, Bradley
Prehearing Officer: Baez

Staff: CMP: Barrett
GCL: Teitzman, Banks

ISSUE 1: What language should be included in the parties' agreement to memorialize the Commission's decision regarding the definition of Local traffic?

RECOMMENDATION: The recommendations on disputed language contained in the analysis portion of staff's April 24, 2003 memorandum should be reflected in the parties' agreement.

ISSUE 2: What language should be included in the parties' agreement to memorialize the Commission's decision regarding the definition of and the use of "multi-jurisdictional trunks"?

RECOMMENDATION: Except for the language Verizon added to Attachment C, Verizon's version of the disputed language should be included in the parties' agreement to memorialize the Commission's decision regarding the definition of and the use of "multi-jurisdictional trunks." Sprint's version of Attachment C, which does not contain the language Verizon added, should be reflected in the parties' agreement.

ISSUE 3: Should this docket be closed?

RECOMMENDATION: No. The parties should be required to submit a signed final interconnection agreement that complies with the Commission's decisions in this docket. Staff recommends that the parties be required to file the final interconnection agreement for approval within 30 days of issuance of the Order resolving the disputed contract language.

DECISION: The recommendations were approved.

Commissioners participating: Baez, Bradley

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13**Docket No. 021249-TP - Complaint of Supra Telecommunications and Information Systems, Inc. against BellSouth Telecommunications, Inc. for non-compliance with Commission Order PSC-02-0878-FOF-TP. (Deferred from April 1, 2003 Commission conference.)

Critical Date(s): None

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

Staff: GCL: Taylor, Christensen
CMP: Dowds, Simmons
MMS: Ollila

ISSUE 1: Should the Motion to Dismiss filed by BellSouth Telecommunications Inc. be granted on the grounds that the Commission lacks subject matter jurisdiction over allegations made in Supra's Complaint, thus requiring it to relinquish jurisdiction and refrain from any proceedings touching on the subjects set forth in the Complaint?

RECOMMENDATION: BellSouth's Motion to Dismiss should be denied on Issue 1.

ISSUE 2: Should the Commission dismiss Supra's Complaint on the grounds that the facts in Supra's Complaint fail to state a claim upon which relief can be granted?

RECOMMENDATION: BellSouth's Motion to Dismiss should be denied on Issue 2.

ISSUE 3: Should the Commission dismiss Supra's Complaint because, even if it is legally sufficient to state a claim for relief, that claim is not yet "ripe" for adjudication?

RECOMMENDATION: BellSouth's Motion to Dismiss should be denied on Issue 3.

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ITEM NO.

CASE

13**

Docket No. 021249-TP - Complaint of Supra Telecommunications and Information Systems, Inc. against BellSouth Telecommunications, Inc. for non-compliance with Commission Order PSC-02-0878-FOF-TP. (Deferred from April 1, 2003 Commission conference.)

(Continued from previous page)

ISSUE 4: Should this docket be closed?

RECOMMENDATION: No. This docket should remain open pending further negotiations by the parties and a possible evidentiary hearing on this matter.

DECISION: Issues 1, 2, and 3 were deferred with Commissioner Baez dissenting. Item 4 was approved in that the docket is to remain open for at least 60 days or until a Commission ruling is made on Issues 1, 2, and 3.

Commissioners participating: Baez, Bradley, Davidson