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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of :
:
Comprehensive review of : DOCKET NO. 920260-TL
revenue requirements and rate :
stabilization plan of :
SOUTHERN BELL Telephone and :
Telegraph Company. :

PROCEEDINGS: PENSACOLA SERVICE HEARING

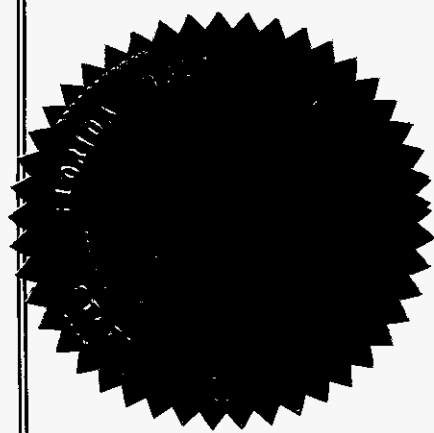
BEFORE: CHAIRMAN J. TERRY DEASON
COMMISSIONER DIANE K. KIESLING

DATE: Thursday, January 6, 1994

TIME: Convened at 6:00 p.m., CST
Concluded at 6:15 p.m., CST

PLACE: Pensacola Civic Center
201 East Gregory Street
Room C2
Pensacola, Florida

REPORTED BY: PAMELA A. CANELL
Official Commission Reporter



DOCUMENT NUMBER-DATE
00390 JAN 12 1994
FPSC-RECORDS/REPORTING

1 APPEARANCES:

2 ROBERT BEATTY and MARSHALL M. CRISER, III,
3 150 South Monroe Street, Suite 400, Tallahassee,
4 Florida 32301, Telephone No. (904) 222-1201, appearing
5 on behalf of Southern Bell.

6 CHARLIE BECK and EARL POUCHER, Office of the
7 Public Counsel, 111 West Madison Street, Room 812,
8 Tallahassee, Florida 32399-1400, Telephone No. (904)
9 488-9330, on behalf of the Citizens of the State of
10 Florida.

11 ROBERT PIERSON, FPSC Division of Legal
12 Services, 101 East Gaines Street, Tallahassee, Florida
13 32301, Telephone No. (904) 487-2740, on behalf of the
14 Commission Staff.

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I N D E X

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WITNESSES

Name:

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JOYCE BLYSTONE	11
PAUL GOUDY	13

EXHIBITS

IDENTIFIED

ADMITTED

10 (Southern Bell) Proof of Publication	5
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P R O C E E D I N G S

(Hearing convened at 6:00 p.m.)

CHAIRMAN DEASON: If I can have everyone's attention, please, we'll go ahead and begin this evening's hearing. We will begin by having the notice read.

MR. PIERSON: Pursuant to notice this time and place has been set for a service hearing in Dockets No. 920260, 910163, 910727, 900960 and 911034, the consolidated rate application of Southern Bell Telephone And Telegraph Company.

CHAIRMAN DEASON: Thank you. Take appearances.

MR. BECK: Charlie Beck and Earl Poucher, Office of the Public Counsel, appearing on behalf of the Florida Citizens.

MR. BEATTY: I'm Robert Beatty, General Attorney for Southern Bell, appearing on behalf of Southern Bell.

MR. PIERSON: Robert Pierson on behalf of the Commission Staff.

CHAIRMAN DEASON: Thank you. Mr. Beatty, do you have proof of publication of this evening's hearing?

MR. BEATTY: Yes, I do. And with your

1 permission I would offer it into evidence.

2 CHAIRMAN DEASON: We will identify the
3 exhibit as Exhibit No. 10.

4 (Exhibit No. 10 marked for identification.)

5 CHAIRMAN DEASON: I would like to take this
6 opportunity to welcome everyone out to the public
7 hearing this evening. In the way of introductions, my
8 name is Terry Deason, I'm the Chairman of the Public
9 Service Commission. And with me this evening is
10 Commissioner Diane Kiesling. We also have a Staff
11 person from our Division of Public Information, Ms.
12 Melinda Pace. She's been out in the hall area and is
13 available to answer any questions that you may have.

14 The purpose of the hearing this evening is to
15 hear from the customers of Southern Bell concerning the
16 quality of service of the Company and the various
17 proposals which are currently pending before the Public
18 Service Commission.

19 The procedure which we will be following this
20 evening is that we will begin with brief opening
21 statements. One by Southern Bell and one by the Office
22 of Public Counsel. At the conclusion of the opening
23 statements, I will ask all of those members of the
24 public who wish to testify this evening to stand and be
25 sworn in so that your testimony may become part of the

1 official record in this proceeding. This hearing this
2 evening is being recorded by an official court
3 reporter. It will become part of the record and will
4 become evidence in the case and will be available to
5 the Commissioners and will be utilized by the
6 Commissioners in making any decisions which will be
7 forth coming in these dockets.

8 The Office of Public Counsel will be calling
9 members of the public. When your name is called, if
10 you would please, come forward to the podium and give
11 your name and your address. And, then, please proceed
12 with your statement.

13 There also is a blue information handout,
14 which is available out in the hall area. The last page
15 of this handout maybe detached; can be folded and
16 mailed to the Public Service Commission with any
17 written comments which you may wish to provide. And
18 with that, we will go ahead with opening statements.

19 MR. CRISER: Thank you, Chairman Deason.
20 Good evening, I'm Marshall Criser and I'm here tonight
21 representing Southern Bell.

22 As you may have already heard on news reports
23 yesterday, Southern Bell and Florida's Office of Public
24 Counsel reached a proposed settlement of the rate case
25 we filed in July of 1992. The settlement has been

1 endorsed by the Florida Attorney General as well as the
2 American Association of Retired Persons and the Florida
3 Consumer Action Network and must still be approved by
4 the Florida Public Service Commission before it goes
5 into effect.

6 The agreement calls for approximately \$300
7 million worth of rate cuts to be phased in over the
8 next three years. Included in its terms our customers
9 in Florida will no longer have a one dollar per line
10 per month Touch-Tone charge. This change will take
11 effect 30 days after the Florida Public Service
12 Commission approves the agreement.

13 We have also agreed to cap the rate for
14 residential lines, basic business lines, PBX trunks and
15 directory assistance charges at their current levels
16 through 1997.

17 We have also withdrawn our expanded local
18 service proposal and have agreed not to propose any
19 local measured service on a statewide basis for that
20 same time period.

21 The agreement also establishes a service
22 guarantee plan beginning late this year that would
23 provide rebates if it's determined that installation or
24 maintenance service were unsatisfactory.

25 As stated yesterday by Joe Lacher, our state

1 president, Jack Shreve, Florida's Public Counsel, has
2 been an extremely effective advocate for the state's
3 consumers. Mr. Shreve's professionalism and spirit of
4 cooperation were invaluable in reaching an agreement
5 that's good for everyone.

6 Additionally, the Attorney General as well
7 the AARP and Florida Consumer Action Network worked
8 very diligently on this case from the beginning. These
9 parties, including Southern Bell, have done what they
10 believe is to be in the best interest of Florida
11 consumers.

12 While this process has been cumbersome and
13 complex, our collective efforts have produced a
14 proposed settlement, which we believe is beneficial to
15 everyone. Also, while they have just received the
16 proposed settlement, I would also like to recognize the
17 professionalism and extensive efforts of the Florida
18 Public Service Commission Staff in this proceeding,
19 which has gone on for almost two years now.

20 With this case behind us, Southern Bell's
21 energies can now be fully focused on serving our
22 customers and participating in the evolving nature of
23 our industry for the future. And that's good for all
24 of us.

25 The agreement reflects the realities of a

1 swiftly moving world, rapidly changing customer's
2 expectations, technology and competition, which are
3 changing the face of our business and the face of
4 regulation we believe will have to change to meet those
5 demands.

6 While this settlement is not what either side
7 originally proposed, it allows us to concentrate on
8 you, our customers, and the future by removing
9 uncertainty and allowing us to bring a better plan for
10 changes in an increasingly competitive environment.
11 Regardless of how the marketplace or the world of
12 telecommunications regulation changes, our customers
13 are guaranteed the rate reduction specified in this
14 settlement and basic local rates shall be capped
15 through 1997.

16 I think that you will agree with us that
17 that's good for you, our customers. But tonight is
18 still about you. We thank you for being here tonight,
19 we look forward to your comments. We thank you for
20 taking the time to be here and participate in this
21 process.

22 Thank you, Chairman Deason.

23 CHAIRMAN DEASON: Thank you. Mr. Beck.

24 MR. BECK: Thank you, Mr. Chairman. I'll
25 just add a few words to Southern Bell that's already

1 given you an outline of the agreement. We've had a
2 very long, a very contentious suit or case going on for
3 the past two years with Southern Bell. We're very glad
4 that we could come to a settlement with them that we
5 think provides substantial concrete benefits to
6 Southern Bell's customers.

7 As Mr. Criser said, Touch-Tone charges would
8 be eliminated in their entirety 30 days after
9 acceptance of the agreement by the Commission. But in
10 addition to that, there's certain unspecified rate
11 reductions that would come in three different time
12 periods.

13 On July 1st of 1994, this year, there is a
14 \$60 million rate reduction followed by an \$80 million
15 rate reduction in 1995, and an \$84 million rate
16 reduction in 1996. So at this point there's over \$200
17 million of rate reductions and precise services that
18 would be reduced that have yet to be determined by the
19 Public Service Commission if the agreement is accepted.

20 It would be our expectation that those
21 reductions could be used to bring about substantial
22 reductions in long distance charges, as well as take
23 care of extended area service problems as they arise.
24 Often one of the problems with extended area service is
25 that it leads the Company to a loss of revenues. These

1 rate reductions can be used to fund expanded service
2 where it's warranted.

3 It's taken the efforts of a lot of people to
4 bring this about after a long case. The Staff of the
5 Commission, for example, has conducted extensive
6 discovery and done a number of audits of the Company.
7 And it's taken the efforts of all of the parties to
8 enable us to reach this agreement.

9 So with that I'll conclude, and let's hear
10 from the public.

11 CHAIRMAN DEASON: Thank you, Mr. Beck. I'm
12 going to ask all of those members of the public who
13 wish to make a statement this evening, if you will,
14 please stand and raise your right hand.

15 (Witnesses collectively sworn.)

16 CHAIRMAN DEASON: Mr. Beck, you may call your
17 first witness.

18 MR. BECK: Thank you. Joyce Blystone.

19 JOYCE BLYSTONE
20 was called as a witness on behalf of Citizens of the
21 State of Florida and, having been duly sworn, testified
22 as follows:

23 WITNESS BLYSTONE: Most of my questions have
24 already been answered, but I did have one additional
25 one.

1 CHAIRMAN DEASON: Ma'am, before you begin
2 could you give us your name and your address, please?

3 WITNESS BLYSTONE: Joyce Blystone, 2331
4 Silversides, Pensacola, Florida 32526.

5 Most of my questions have already been
6 answered, but I did have one additional one. There are
7 some other services that I don't see any information
8 about such as limited number of calls per month. Are
9 these services, additional services going to be
10 affected?

11 MR. CRISER: The message rate service that's
12 in the residential message rate service will stay in
13 effect.

14 CHAIRMAN DEASON: That's all the questions
15 you have?

16 WITNESS BLYSTONE: Yes. Like I say, most of
17 them have already been answered.

18 CHAIRMAN DEASON: Very well. Thank you for
19 coming.

20 (Witness Blystone excused.)

21 - - - - -

22 MR. BECK: Paul Goudy.

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1 PAUL GOUDY

2 was called as a witness on behalf of Citizens of the
3 State of Florida and, having been duly sworn, testified
4 as follows:

5 WITNESS GOUDY: I'm Paul Goudy, and I live at
6 946 Gondolier Boulevard in Gulf Breeze. Actually just
7 east of Gulf Breeze.

8 I have no complaints, in fact, I am very,
9 very happy with the service that Southern Bell has
10 given us. I have no complaints about the rates. I do
11 have an irritation.

12 I live on the peninsula, and if I have to
13 call Milton in the same county, it's a dial 1. It's a
14 toll call, a long distance call. I can call Cantonment
15 -- I never have any occasion to -- from where I live
16 without any problem. I have not brought it up to the
17 telephone company, but I have mentioned it to our
18 County Commissioners in the past many times. And most
19 people live where I live have the same feeling.

20 We have no desire to call Cantonment. We
21 call Pensacola, we call Navarre and we call Milton and
22 Pace. We don't want to call Jay. But that, as far as
23 Santa Rosa County is concerned or at least the southern
24 peninsula, Gulf Breeze and Tiger Point area and so on,
25 is what would be their normal calling area.

1 And that's all I have to comment. I would
2 like to see some way that that could be brought about
3 as it being a normal local call. Thank you.

4 CHAIRMAN DEASON: Let me ask you one
5 question. You reside in Santa Rosa County; is that
6 correct?

7 WITNESS GOUDY: I do. I live in Villa
8 Venyce, 946 Gondolier Boulevard, Gulf Breeze, which is
9 in Santa Rosa County.

10 CHAIRMAN DEASON: Okay. And Milton is the
11 county seat?

12 WITNESS GOUDY: Milton is the county seat.
13 It's across the bay. As the crow flies it's about 20
14 miles, by car it's about 35 because you have to go
15 around.

16 CHAIRMAN DEASON: Any other questions? Thank
17 you, sir.

18 WITNESS GOUDY: That's my only comment except
19 to say I'm very happy with your service other than
20 that. And I might add is that our county courthouse
21 has provided a local call in Milton so we can get there
22 directly without doing it. But it's other things.
23 It's people and businesses and so on where you have to
24 make a toll call. Thank you.

25 CHAIRMAN DEASON: Thank you.

1 WITNESS GOUDY: Again, it's not the money,
2 it's the principle of the thing. Thank you.

3 (Witness Goudy excused.)

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5 CHAIRMAN DEASON: Mr. Beck, do you have any
6 other witnesses?

7 MR. BECK: Mr. Chairman, those are the only
8 people that signed up ahead of time.

9 CHAIRMAN DEASON: Are there any other members
10 of the public who did not initially identify themselves
11 who are wishing to testify who wish to make a statement
12 this evening? (Pause)

13 Let the record reflect that there are no
14 other individuals present. I wish to take this
15 opportunity to thank everyone who did come out this
16 evening. These cases right now have been identified by
17 the Counsel for Southern Bell and the Public Counsel's
18 Office. We have presented before us a stipulation, and
19 with that a number of questions as to what the
20 procedure will be concerning the stipulation.

21 In the plans that the Commission at this
22 point are to have the stipulation presented to the
23 Commission at our regularly scheduled agenda conference
24 on January the 18th. And I cannot speculate as to what
25 the outcome of that will be at that time, but it is our

1 plans to take up the proposal at that time.

2 And with that, this hearing is concluded.

3 Thank you all.

4 (Thereupon, the hearing adjourned at 7:15
5 p.m.)

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1 F L O R I D A)
2 :
3 COUNTY OF LEON)

CERTIFICATE OF REPORTER

4 I, Pamela A. Canell, Official Commission
5 Reporter,

6 DO HEREBY CERTIFY that the informal customer
7 meeting in this cause, Docket No. 920260, 910163,
8 910727, 900960 and 911034, was heard by the Staff of
9 the Florida Public Service Commission at the time and
10 place herein stated; it is further

11 CERTIFIED that I stenographically reported
12 the said proceedings; that the same has been
13 transcribed under my direct supervision, and that this
14 transcript, consisting of 16 pages, constitutes a true
15 transcription of my notes of said proceedings.

16 DATED this 12th day of January, A. D., 1994.

17 Pamela A. Canell
18 PAMELA A. CANELL
19 Official Commission Reporter
20 (904) 488-5981

21 STATE OF FLORIDA)
22 :
23 COUNTY OF LEON)

24 The foregoing certificate was acknowledged
25 before me this 12th day of January, 1994, by PAMELA A.
CANELL who is personally known to me.

26 Patricia A. Church
27 PATRICIA CHURCH
28 Notary Public - State of Florida
29 COM. NO. CC-90785
30 Notary Public, State of Florida
31 My Commission Expires April 20, 1995
32 Bonded Thru Troy Fain - Insurance Inc.

10

PENSACOLA News Journal

PUBLISHED DAILY

Pensacola, Escambia County, Florida

STATE OF FLORIDA
County of Escambia

Before the undersigned authority personally appeared

Sharon Zartman

who is personally known to me and who on oath says that he/she is a representative of The Pensacola News Journal, a daily newspaper published at Pensacola in Escambia County, Florida; that the attached copy of advertisement, being a Legal in the matter of _____

Public Notice

_____ in the _____ Court, was

published in said newspaper in the issues of

Dec 22, 1993

Affiant further says that the said Pensacola News Journal is a newspaper published at Pensacola, in said Escambia County, Florida, and that the said newspaper has heretofore been continuously published in said Escambia County, Florida each day and has been entered as second class mail matter at the post office in Pensacola, in said Escambia County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement; and affiant further says that he/she has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.

Sworn to and subscribed before me this 22

day of Dec A.D., 19 93

Brenda Duke Peacock
Notary Public

BRENDA DUKE PEACOCK
"Notary Public--State of Florida"
My Commission Expires Feb. 1, 1997
CC 256443

LEGAL NOTICE
NOTICE OF PUBLIC HEARING

The Florida Public Service Commission has scheduled a public hearing in Docket No. 93-1000. The purpose of this docket is to review the operations under its incentive plan and to consider Southern Bell's proposal for a new plan. It will also consider the Commission's proposed changes, including the proposed Local Service Plan, reductions in certain charges and certain custom call charges, restructuring of service order charges and certain business line rates.

For the convenience of the public, the Service Commission has also scheduled a public hearing as follows:

Thursday, January 6, 1994
Pensacola Civic Center
201 E. Gregory Street
Pensacola, Florida

At the above time and place, members of the public may appear to testify as to their interest in the matter. Persons desiring to present testimony should, if possible, bring bills or other documents regarding their telephone service. Customers are to attend on time. If no customers are present, the hearing will be adjourned. The Public Commission will be available at least 30 minutes prior to the hearing in order to meet members of the public. Prior to that time, inquiries should be directed to The Office of Public Counsel, c/o Representative, The Capitol, Tallahassee, Florida 32399-1376.

Legal No. 34870 1T

**LEGAL NOTICE
NOTICE OF PUBLIC HEARING**

The Florida Public Service Commission has scheduled a public hearing in Docket No. 920260-TL. The purpose of this docket is to review Southern Bell's operations under its incentive sharing plan and to consider Southern Bell's proposal for extension of that plan. It will also consider the Company's proposed rate changes, including the proposed optional Expanded Local Service Plan, reductions in intraLATA access charges and certain custom calling feature rates, a restructuring of service order charges and a reduction of certain business line rates.

For the convenience of the public, the Florida Public Service Commission has also scheduled a service hearing as follows:

**Thursday, January 6, 1994—6:00 PM C.S.T.
Pensacola Civic Center
201 E. Gregory Street
Pensacola, Florida**

At the above time and place, members of the public may appear to testify as to their interest in this matter. All persons desiring to present testimony at the hearing should, if possible, bring bills or other documentations regarding their telephone service. Customers are urged to attend on time. If no customers are present, the hearing will be adjourned. The Public Counsel, the citizens' representative in matters before the commission, will be available at least 30 minutes prior to each hearing in order to meet members of the public who wish to testify. Prior to that time, inquiries should be directed to The Office of Public Counsel, c/o Florida House of Representatives, The Capitol, Tallahassee, Florida 32399-1300.