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 1 BEFORE THE

 FLORIDA PUBLIC SERVICE COMMISSION

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 3 DOCKET NO. 060644-TL

 4 In the Matter of:

 5 PETITION TO RECOVER 2005 TROPICAL

 SYSTEM RELATED COSTS AND EXPENSES,

 6 BY EMBARQ FLORIDA, INC.

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 11 THE .PDF VERSION INCLUDES PREFILED TESTIMONY.

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 13 PROCEEDINGS: FT. WALTON BEACH SERVICE HEARING

 14 BEFORE: COMMISSIONER MATTHEW M. CARTER, II

 COMMISSIONER KATRINA J. TEW

 15

 DATE: Wednesday, December 13, 2006

 16

 TIME: Commenced at 10:00 a.m. (CST)

 17 Concluded at 12:33 p.m. (CST)

 18 PLACE: Ft. Walton Beach City Hall

 City Commission Chambers

 19 107 Miracle Strip Parkway

 Ft. Walton Beach, Florida

 20

 REPORTED BY: LINDA BOLES, CRR, RPR

 21 Official Commission Reporter

 (850) 413-6734

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 FLORIDA PUBLIC SERVICE COMMISSION

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 1 PARTICIPATING:

 2 SUSAN S. MASTERTON, ESQUIRE, Embarq Florida, Inc.,

 3 1313 Blairstone Road, Post Office Box 2214, Tallahassee,

 4 Florida 32301, appearing on behalf of Embarq Florida, Inc.

 5 HAROLD MCLEAN, PUBLIC COUNSEL, Office of Public

 6 Counsel, c/o 111 West Madison Street, Room 812, Tallahassee

 7 Florida 32399-1400, appearing on behalf of the Citizens of the

 8 State of Florida.

 9 JASON FUDGE, ESQUIRE, FPSC General Counsel's Office,

 10 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850,

 11 appearing on behalf of the Florida Public Service Commission

 12 Staff.

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 1 I N D E X

 2 WITNESSES

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 FLORIDA PUBLIC SERVICE COMMISSION

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 1 P R O C E E D I N G S

 2 COMMISSIONER CARTER: Good morning. My name is

 3 Matthew Carter, a Public Service Commissioner, and I want to

 4 welcome you all here. Good morning, everyone.

 5 First of all, I'll introduce my distinguished

 6 colleague Commissioner Katrina Tew, and let you know that we're

 7 here this morning. I'd call the meeting to order.

 8 Mr. Fudge, would you read the notice, please?

 9 MR. FUDGE: By notice issued October 18th, 2006, this

 10 time and place was set for a customer hearing in Docket Number

 11 060644. The purpose is as set forth in the notice.

 12 COMMISSIONER CARTER: Okay. Thank you, Mr. Fudge.

 13 Is it -- if we can go ahead on and take appearances now.

 14 MS. MASTERTON: Good morning, Commissioners. I'm

 15 Susan Masterton representing Embarq. And with me here today I

 16 have our vice president for the state, Charles Rehwinkel, and

 17 Sandy Khazraee, our regulatory manager, and Joyce Sanders, who

 18 is our local public affairs manager. We're just here today to

 19 listen and to answer any questions that might come up.

 20 COMMISSIONER CARTER: Thank you.

 21 MR. McLEAN: I'll be happy to go next. My name is

 22 Harold McLean, Office of Public Counsel. I'm the Public

 23 Counsel on behalf of the citizens of the State of Florida.

 24 Address, 111 West Madison, Tallahassee, 32399.

 25 MR. FUDGE: Jason Fudge on behalf of Commission

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 1 staff.

 2 COMMISSIONER CARTER: Ms. Salak.

 3 MS. SALAK: I'm Beth Salak. I'm with Commission

 4 staff also.

 5 COMMISSIONER CARTER: Thank you very much. I want to

 6 welcome all of you here to this hearing this morning, this

 7 hearing, and I appreciate your appearance here, I appreciate

 8 your presence, and I want to hear from any members of the

 9 community that want to be heard today. It's an official

 10 meeting that will be transcribed and be part of the official

 11 record. We have a court reporter here, so such that anyone

 12 wishing to speak today will be sworn in, and we'll take care of

 13 that in a few minutes. Their comments will be subject to

 14 cross-examination.

 15 Before we get to that, I'd like to introduce our PSC

 16 staff who are here to help with any questions. First,

 17 Mr. Rick Moses and also Ms. Thelma Crump would be willing to

 18 help you. Also, Embarq brought staff here to assist.

 19 MS. MASTERTON: Yeah. I think -- right.

 20 Ms. Khazraee.

 21 COMMISSIONER CARTER: Just raise your hand. There

 22 you go.

 23 You may have noticed speaker sign-up forms.

 24 Ms. Crump has those back there. Anyone wishing to speak,

 25 please complete the form, sign those up. You may not want to

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 1 speak today. You may want to send your comments in in writing.

 2 Take the blue form here and you will complete that and just

 3 mail it in to us at the address supplied here.

 4 Before asking for any comments, Mr. McLean, do we

 5 have anyone signed up?

 6 MR. McLEAN: No, sir, I don't.

 7 COMMISSIONER CARTER: Why don't we do this, Madam

 8 Commissioner, if it's okay with you. We'll just dispense --

 9 we'll just go in recess. And if anyone shows up, then we'll go

 10 through the formalized process. Is that okay with you, Mr.

 11 McLean?

 12 MR. McLEAN: Yes, sir. No one has contacted me or

 13 approached me about testifying today as yet. So that procedure

 14 is fine with me.

 15 COMMISSIONER CARTER: Then let's consider ourselves

 16 in recess.

 17 (Recess taken.)

 18 COMMISSIONER CARTER: Go back on the record. In view

 19 of the fact that we have a consumer that would like to speak

 20 today, let's just kind of -- I want to get back on the record

 21 and just say that I'd like the attorneys for the parties to

 22 make an opening statement beginning with Embarq. You are

 23 recognized.

 24 MS. MASTERTON: Thank you, Commissioners.

 25 I haven't really prepared a lengthy opening

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 1 statement. Embarq understands this is a public hearing to get

 2 comments from the public about our petition to recover the

 3 costs to repair our facilities in the 2005 hurricane season.

 4 We've come to listen to the comments from the customers and

 5 respond to any concerns or questions that are asked from either

 6 you or the customers. Thank you.

 7 COMMISSIONER CARTER: Thank you so kindly.

 8 MS. MASTERTON: If you'd like, I can introduce the

 9 other Embarq staff people who are here.

 10 COMMISSIONER CARTER: Go ahead. Put it on the

 11 record.

 12 MS. MASTERTON: Okay. We have Charles Rehwinkel,

 13 who's our Florida vice president; Joyce Sanders, who's our

 14 local public affairs manager; and Sandy Khazraee, who's our

 15 regulatory affairs manager. And among all of us I think we'll

 16 be able to answer any questions that come up. Thank you.

 17 COMMISSIONER CARTER: Thank you so kindly.

 18 MR. McLEAN: Commissioner Carter, if I might. I just

 19 want to say --

 20 COMMISSIONER CARTER: Yes, sir.

 21 MR. McLEAN: -- I am the Public Counsel from the

 22 State of Florida. I represent the citizens in actions like

 23 this. We generally oppose these kind of increases. We'll be

 24 giving this one very close scrutiny to ensure that it complies

 25 with state statutes recently enacted by the Legislature.

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 1 Thank you, Mr. Chairman.

 2 COMMISSIONER CARTER: Thank you, Counselor.

 3 I notice we have one person here that wants to speak;

 4 right?

 5 MR. McLEAN: Yes. Ms. Betty Kenyon signed up.

 6 Ma'am, if you'd come forward to the microphone and

 7 tell the Commission your concerns.

 8 COMMISSIONER CARTER: Ma'am, because this is a --

 9 step up to the microphone. Because this is a public hearing

 10 and we're going to put everything on the record, I'm going to

 11 ask you to raise your right hand and take an oath, please.

 12 BETTY KENYON

 13 was called as a witness on behalf of the Citizens of the State

 14 of Florida and, having been duly sworn, testified as follows:

 15 MS. KENYON: Thank you.

 16 COMMISSIONER CARTER: You are recognized.

 17 DIRECT STATEMENT

 18 MS. KENYON: I want to say I just saw the notice of

 19 this hearing in the yesterday Daily News, and I said, "Can I

 20 fit it into my schedule?" Because I testified when the PSC was

 21 here in April of 2004 about the phone rate increases for

 22 Verizon, BellSouth and Sprint. Of course, many of us testified

 23 against any increases, and we have no competition whatsoever in

 24 the county. And so, of course, the increase was put on hold

 25 for a while after the PSC approved it in December of 2004 and

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 1 so on and so on.

 2 But anyhow, we're getting nickeled and dimed to

 3 death. I saw the newspaper said it was a 50 cent a month

 4 increase. And we as homeowners have had to put up with

 5 hurricanes, tropical storms, you name it. And so I just am

 6 very puzzled about why this is required at this time.

 7 Now an interesting note is that about, oh, two and a

 8 half weeks ago I had occasion to call Embarq because we had no

 9 phone service in my neighborhood in Destin -- and talking to

 10 people in Oregon and someplace else and on -- oh, we'll get

 11 back to you. Well, of course, with my network of neighbors and

 12 what have you, I found out that in the City of Destin a

 13 contractor had cut the phone line, so our phone service for our

 14 entire north end near Indian Trail and Indigo Circle was cut

 15 off. Embarq did give us a credit. When I got my phone bill, I

 16 saw I had a credit there.

 17 But once again -- I didn't have an opportunity to

 18 make a copy when I testified almost three years ago. I gave

 19 you a list of all these little nitpicking fees we have to pay.

 20 And at the time all these little extra taxes, surcharges, you

 21 name it, were more than my basic telephone service. And I

 22 don't have all the bells and whistles because I don't want all

 23 the bells and whistles. And so now the phone service has

 24 increased slightly. My basic phone service is $12.45. My

 25 taxes and fees and so on and surcharges are $11.76. You say,

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 1 well, that's not very much money. But the thing is many of us

 2 are retired senior citizens on a fixed income. And I'm sure

 3 you've heard that before. But the point is when does this

 4 stop? You know, I keep -- you know, we have an insurance

 5 problem, a huge increase in homeowner's insurance, taxes and so

 6 on. We individuals, we have to look closely at where our money

 7 is going. And everybody is going to say, oh, well, 50 cents a

 8 month isn't very much. But, yes, it is. Fifty cents can start

 9 anybody's little savings account, some little kid's account,

 10 this what have you. And I won't belabor that point.

 11 But as I say, I just feel unless Embarq improves

 12 their customer service, because I was very turned off by their

 13 replies whenever I had the service calls, why give them an

 14 increase? Any questions?

 15 COMMISSIONER CARTER: Yes, ma'am.

 16 MS. KENYON: Yes.

 17 COMMISSIONER CARTER: Just for the record, I was

 18 excited, I was so excited to see you here today that I forgot

 19 to ask you when you stepped up to the microphone, for the

 20 record because we have a court reporter, please state your name

 21 and address, and what's the name of your carrier, your phone

 22 carrier?

 23 MS. KENYON: The last item, what was that?

 24 COMMISSIONER CARTER: The name of your phone carrier.

 25 I think it's Embarq.

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 1 MS. KENYON: Oh, Embarq. Right.

 2 COMMISSIONER CARTER: Yes, ma'am.

 3 MS. KENYON: My name is Betty J. Kenyon. I live at

 4 3805 Indigo Circle in the beautiful City of Destin, Florida.

 5 Do you need my phone number? Okay.

 6 COMMISSIONER CARTER: It's up to you.

 7 MS. KENYON: Well, it's on the form.

 8 COMMISSIONER CARTER: Yes, ma'am.

 9 MS. KENYON: But anyhow, as I say, I'm active in

 10 politics and in the activities in my City of Destin and in the

 11 community.

 12 COMMISSIONER CARTER: We thank you for coming this

 13 morning.

 14 And first let me -- Commissioner Tew, do you have any

 15 questions?

 16 COMMISSIONER TEW: I don't think so.

 17 COMMISSIONER CARTER: But we do want to thank you for

 18 coming. It's a significant opportunity for us to come out and

 19 go around to the different communities that are impacted and

 20 find out exactly what the citizens have to say.

 21 MS. KENYON: Okay. And I just want to mention I had

 22 hoped that I would be able to contact some of the people that I

 23 know were involved in the issue almost three years ago, but

 24 I've had some medical problems and I didn't get a chance to

 25 call anyone late yesterday. Because, as I say, I just saw this

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 1 in the newspaper in the morning. Okay. Thank you.

 2 MR. McLEAN: I have a very brief observation for you,

 3 if anything else. You mentioned, "When is the end to these

 4 things?" And I can't answer for that mass of things that we

 5 all are exposed to, but I can answer for this one.

 6 The Legislature, in its infinite wisdom, decided that

 7 this phone company could only collect this charge for one year.

 8 So it's 50 cents per access line for one year.

 9 MS. KENYON: One year?

 10 MR. McLEAN: So the Legislature could -- it's good

 11 that the Legislature limited them to that degree is my

 12 suggestion.

 13 MS. KENYON: Thank you. As I say, I'm not too

 14 impressed with our state Legislature, because I follow some

 15 issues closely.

 16 MR. McLEAN: Well, I didn't want to whack the

 17 hornet's nest, but.

 18 MS. KENYON: Okay. Thank you very much.

 19 COMMISSIONER CARTER: Yes, ma'am. One second. Does

 20 anyone have any questions? Thank you so kindly for coming to

 21 be with us this morning. We sincerely appreciate, you know,

 22 you taking out time from your very busy day to do that.

 23 MR. McLEAN: Mr. Chairman, I have no further sign ups

 24 at the moment.

 25 COMMISSIONER CARTER: Okay. We are again in recess.

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 1 (Recess taken.)

 2 COMMISSIONER CARTER: Go back on the record. It's

 3 now approximately 12:32 Central Standard Time. And,

 4 Mr. McLean, do you have any other --

 5 MR. McLEAN: I do not, sir.

 6 COMMISSIONER CARTER: Well, Commissioner Tew, do you

 7 have any comments?

 8 COMMISSIONER TEW: No, sir.

 9 COMMISSIONER CARTER: Anyone in the audience have any

 10 comments that you'd like to make here at this point in time?

 11 Seeing none and hearing none, we'll just declare this hearing

 12 over. We're adjourned.

 13 (Service Hearing adjourned at 12:33 p.m.)

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 FLORIDA PUBLIC SERVICE COMMISSION

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 1 STATE OF FLORIDA )

 : CERTIFICATE OF REPORTER

 2 COUNTY OF LEON )

 3 I, LINDA BOLES, CRR, RPR, Official Commission

 Reporter, do hereby certify that the foregoing proceeding was

 4 heard at the time and place herein stated.

 5 IT IS FURTHER CERTIFIED that I stenographically

 reported the said proceedings; that the same has been

 6 transcribed under my direct supervision; and that this

 transcript constitutes a true transcription of my notes of said

 7 proceedings.

 8 I FURTHER CERTIFY that I am not a relative, employee,

 attorney or counsel of any of the parties, nor am I a relative

 9 or employee of any of the parties' attorneys or counsel

 connected with the action, nor am I financially interested in

 10 the action.

 11 DATED THIS \_\_\_\_\_\_ DAY OF DECEMBER, 2006.

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 13 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 LINDA BOLES, CRR, RPR

 14 FPSC Official Commission Reporter

 (850) 413-6734

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