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Sent:

Tuesday, March 18, 2008 4:01 PM

To:

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Cc:

Susan Masterton

Subject:

Docket No. 070300-El and 070304-El-Embarg's Post-Hearing Statement

Attachments: Docket 070300 and 070304 Embarq Post Hearing Statement.doc

Filed on Behalf of:

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Docket No.:

070300-EI and 070304-EI

Title of filing:

EMBARQ'S POST-HEARING STATEMENT

Filed on behalf of:

Embarg

No of pages:

7

Description:

Embarg's Post Hearing Statement

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March 18, 2008

FILED ELECTRONICALLY

Ms. Ann Cole Office of Commission Clerk Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850

Re: Docket No. 070300-EI and 070304-EI

Dear Ms. Cole:

Attached for filing on behalf of Embarq Florida Inc., please find Embarq's Post-Hearing Statement in regards to the above referenced docket matters.

Copies are being served on the parties in this docket pursuant to the attached certificate of service.

If you have any questions regarding this electronic filing, please do not hesitate to call me at (850) 599-1560.

Sincerely,

s/Susan S. Masterton Susan S. Masterton

Susan S. Masterton SENIOR COUNSEL LAW AND EXTERNAL AFFAIRS REGULATORY Voice: (850) 599-1560 Fax: (850) 878-0777

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

CERTIFICATE OF SERVICE DOCKET NO. 070300-EI and 070304-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing was served electronically and by U.S. Mail on this 18th day of March, 2008 to the following:

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Mark Cutshaw P. O. Box 418 Fernandina Beach, FL 32035-0418 mcutshaw@fpuc.com

s/Susan S. Masterton
Susan S. Masterton

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Review of 2007 In re: Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Florida Public Utilities Company.

Electric Docket No. 070300-EI

In re: Petition for rate increase by Florida Docket No. 070304-EI Public Utilities Company.

Filed: March 18, 2008

EMBARQ'S POST-HEARING STATEMENT

In accordance with Order No. PSC-08-0118-PHO-EI, and the due date approved by the Commission at the hearing (Tr. 722), Embarq Florida, Inc. ("Embarq") hereby files its Post-hearing Statement.

INTRODUCTION

Embarq supports the stipulation of the Process to Engage Third-Party Attachers, which was approved by the Commission at the hearing on February 27, 2008. Based on the information provided to Embarq by FPUC to date, and subject to the implementation of the Process to Engage Third-Party Attachers, Embarq has no objection to FPUC's Plan as it is currently understood to affect Embarq.

Embarq intervened in this proceeding to address the issues relating to FPUC's Storm Hardening Plan and, therefore, takes no position on the remaining issues, relating to FPUC's request for a rate increase.

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Embarg's Position on the Issues

ISSUE 1: Does the Company's Plan address the extent to which, at a minimum, the Plan complies with the National Electric Safety Code (ANSI C-2) [NESC] that is applicable pursuant to subsection 25-6.0342, F.A.C.? [Rule 25-6.0342(3)(a)]

POSITION: *A stipulation of this issue was approved by the Commission at the

February 27, 2008 hearing.*

ISSUE 2: Does the Company's Plan address the extent to which the extreme wind loading standards specified by Figure 250-2(d) of the 2007 edition of the NESC are adopted for new distribution facility construction? [Rule 25-6.0342(3)(b)]]

POSITION: *A stipulation of this issue was approved by the Commission at the

February 27, 2008 hearing.*

ISSUE 3: Does the Company's Plan address the extent to which the extreme wind loading standards specified by Figure 250-2(d) of the 2007 edition of the NESC are adopted for major planned work on the distribution system, including expansion, rebuild, or relocation of existing facilities, assigned on or after the effective date of this rule distribution facility construction? [Rule 25-6.0342(3)(b)2]

POSITION: *A stipulation of this issue was approved by the Commission at the

February 27, 2008 hearing.*

ISSUE 4: Does the Company's Plan reasonably address the extent to which the extreme wind loading standards specified by Figure 250-2(d) of the 2007 edition of the NESC are adopted for distribution facilities serving critical infrastructure facilities and along major thoroughfares taking into account political and geographical boundaries and other applicable operational considerations? [Rule 256.0342(3)(b)3]

POSITION: *A stipulation of this issue was approved by the Commission at the

February 27, 2008 hearing.*

ISSUE 5: Does the Company's Plan address the extent to which its distribution facilities are designed to mitigate damage to underground and supporting overhead transmission and distribution facilities due to flooding and storm surges? [Rule 25-6.0342(3)(c)]

POSITION: *A stipulation of this issue was approved by the Commission at the

February 27, 2008 hearing.*

ISSUE 6: Does the Company's Plan address the extent to which the placement of new and replacement distribution facilities facilitate safe and efficient access for installation and maintenance pursuant to Rule 25-6.0341, F.A.C? [Rule 25-6.0342(3)(d)]

POSITION: *A stipulation of this issue was approved by the Commission at the

February 27, 2008 hearing.*

ISSUE 7: Does the Company's Plan provide a detailed description of its deployment strategy including a description of the facilities affected; including technical design specifications, construction standards, and construction methodologies employed? [Rule 25-6.0342(4)(a)]

POSITION: *A stipulation of this issue was approved by the Commission at the

February 27, 2008 hearing.*

ISSUE 8: Does the Company's Plan provide a detailed description of the communities and areas within the utility's service area where the electric infrastructure improvements, including facilities identified by the utility as critical infrastructure and along major thoroughfares pursuant to subparagraph (3)(b)3. are to be made? [Rule 25-6.0342(4)(b)]

POSITION: *A stipulation of this issue was approved by the Commission at the

February 27, 2008 hearing.*

Does the Company's Plan provide a detailed description of the extent to which the electric infrastructure improvements involve joint use facilities on which third-party attachments exist? [Rule 25-6.0342(4)(c)]

POSITION: *A stipulation of this issue was approved by the Commission at the

February 27, 2008 hearing.*

ISSUE 10: Does the Company's Plan provide a reasonable estimate of the costs and benefits to the utility of making the electric infrastructure

improvements, including the effect on reducing storm restoration costs and customer outages? [Rule 25-6.0342(4)(d)]

POSITION: *Embarq takes no position on this issue.*

ISSUE 11: Does the Company's Plan provide an estimate of the costs and benefits, obtained pursuant to subsection (6) below, to third-party attachers affected by the electric infrastructure improvements, including the effect on reducing storm restoration costs and customer outages realized by the third-party attachers? [Rule 25-6.0342(4)(e)]

POSITION: *Embarq prepared a cost estimate based on FPUC's storm hardening plan as originally filed. A more specific estimate cannot be provided until FPUC makes additional details available through the Process to Engage Third-Party Attachers. Potential benefits cannot be quantified at this time.*

DISCUSSION: In Exhibit SAK-1 Embarq provided a "worst case" estimate of the costs Embarq would incur due to FPUC's storm hardening plan (See, Hearing Exhibit No. 51) The estimate was based on the storm hardening plan submitted by FPUC and the provisions of the joint use agreement between Embarq and FPUC. Subsequently Embarq reviewed more detailed information concerning the plan provided by FPUC on December 21, 2007, which confirmed that the costs to Embarq should not exceed Embarq's original estimate.

In addition, Embarq worked with the parties on the stipulation of the Process to Engage Third Party Attachers to establish a mechanism for FPUC to provide greater detail as the plan is implemented so that attachers may determine the specific costs they will incur as a result of FPUC's implementation of the plan. Pending implementation of the Process and additional detail from FPUC, Embarq is not in a position to provide a more specific cost estimate at this time. Embarq emphasizes that any costs to Embarq will depend on the actual storm hardening activities undertaken by FPUC and the

provisions of the parties' joint use agreement, which govern the mechanism for FPUC to recover appropriate costs from Embarq related to its attachments (Direct Testimony of Sandra A. Khazraee, Tr. 34; Tr. 711.)

ISSUE 12: Does the Company's Plan include written Attachment Standards and Procedures addressing safety, reliability, pole loading capacity, and engineering standards and procedures for attachments by others to the utility's electric transmission and distribution poles that meet or exceed the edition of the National Electrical Safety Code (ANSI C-2) that is applicable pursuant to Rule 25-6.034, F.A.C.? [Rule 25-6.0342(5)]

POSITION: *A stipulation of this issue was approved by the Commission at the February 27, 2008 hearing.*

ISSUE 13: Based on the resolution of the preceding issues, should the Commission find that the Company's Plan meets the desired objectives of enhancing reliability and reducing restoration costs and outage times in a prudent, practical, and cost-effective manner to the affected parties? [Rule 25-6.0342(1) and (2)]

POSITION: *Embarq takes no position on this issue.*

Issues 14-136

POSITION: *Embarq takes no position on these issues.*

Respectfully submitted this 18th day of March 2008.

s/Susan S. Masterton SUSAN S. MASTERTON 1313 Blair Stone Road Tallahassee, FL 32301 (850) 599-1560 (phone) (850) 878-0777 (fax) susan.masterton@embarq.com

ATTORNEY FOR EMBARQ FLORIDA, INC.