BEFORE THE 1 FLORIDA PUBLIC SERVICE COMMISSION 2 3 4 In re: Request for extended : 5 DOCKET NO. 870790-TL area service (EAS) throughout: Gilchrist County 6 7 PREHEARING CONFERENCE RECEIVED 8 Division of Records & Reporting 9 JUL 12 1991 FPSC Conference Room 115 101 East Gaines Street 10 Tallahassee, FL 32399 Florida Public Service Commission 11 Monday, July 1, 1991 12 13 BEFORE: MICHAEL McK. WILSON Prehearing Officer 14 APPEARANCES: 15 THEODORE M. BURT, Post Office Box 308, Trenton, 16 Florida 32693, on behalf of Gilchrist County. 17 DAVID B. ERWIN, of Mason, Erwin & Horton, 1311-A 18 Paul Russell Road, Tallahassee, Florida 32301, on 19 behalf of ALLTEL Florida, Inc. 20 E. BARLOW KEENER, Suite 1910, 150 West Flagler 21 Street, Miami, Florida 33130, on behalf of Southern 22 Bell Telephone and Telegraph Company. 23 24 25

DOCUMENT NUMBER BY TH

1	APPEARANCES CONTINUED:
2	MICHAEL W. TYE, 106 East College Avenue, Suite
3	1410, Tallahassee, Florida 32301, on behalf of AT&T
4	Communications of the Southern States, Inc.
5	ANGELA B. GREEN, FPSC Division of Legal Services,
6	101 East Gaines Street, Tallahassee, Florida
7	32399-0863, on behalf of the Commission Staff.
8	WILLIAM WYROUGH, FPSC Office of General Counsel,
9	101 East Gaines Street, Tallahassee, Floridaa 32399-
10	0862, as Counsel to the Commissioners.
11	
12	
13	
14	REPORTED BY: CAROL C. CAUSSEAUX, CSR, RPR Chief, Bureau of Reporting
15	Official Commission Reporter
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	

## PROCEEDINGS

(Hearing convened at 1:37 p.m.)

COMMISSIONER WILSON: Let's call the hearing to order. Read the notice, please.

MS. GREEN: Pursuant to notice, a Prehearing Conference was convened on Monday, July 1st, 1991, in Tallahassee, Florida. This is Docket No. 870790-TL, request for extended area service throughout Gilchrist County.

COMMISSIONER WILSON: Appearances of counsel.

MR. WYROUGH: I'm Bill Wyrough, and I'm Counsel for the Commission.

MR. TYE: Commissioner, I'm Michael W. Tye, 106 East College Avenue, Suite 1410, Tallahassee, Florida, 32301, appearing on behalf of AT&T Communications of the Southern States, Inc.

MR. ERWIN: I'm David B. Erwin, of Mason,
Erwin & Horton, whose address is as reflected on the
Prehearing Order, representing ALLTEL.

MR. BURT: I'm Theodore M. Burt, representing Gilchrist County, and should note I am no longer with Burt and Lancaster, it's Theodore M. Burt, P.A.

MR. KEENER: E. Barlow Keener, Suite 1910, 150 West Flagler Street, Miami, Florida 33130, appearing on behalf of Southern Bell Telephone and

Telegraph Company.

MS. GREEN: Angela B. Green, Florida Public Service Commission, 101 East Gaines Street, on behalf of the Commission Staff.

MR. ERWIN: Excuse me. Ted, is your address the same as it was previously?

MR. BURT: The address is the same. The only change is that it's no longer Burt and Lancaster.

MS. GREEN: As preliminary matter, I have passed out a list of Staff's proposed exhibits that are not included in the draft Prehearing Order, and those would be added to the exhibit list that currently appears at Page 20 through 21 of the draft order.

COMMISSIONER WILSON: Are we going to be dealing with prepared copies where it deals with confidential information? Is that going to be blacked out, or whatever?

MS. GREEN: As far as the exhibits proffered by the Staff, yes, and we would have confidential copies available for yourself and other members of the panel.

I would note, also, that the pending motions that begin at the bottom of Page 21 have all been disposed of.

COMMISSIONER WILSON: Okay.

1	MS. GREEN: To my knowledge, there are no
2	other pending motions. Someone else may have a
3	preliminary matter that I'm not aware of.
4	COMMISSIONER WILSON: Does anyone have any
5	problem with dealing with this confidential information
6	in the hearing? Because I haven't the slightest
7	intention of closing this hearing to talk about it.
8	Are we going to be able to dance around these numbers
9	and make whatever points need to be made? Does anybody
10	have any problem doing that?
11	MR. KEENER: We don't have any problem doing
12	that, Commmissioner.
13	COMMISSIONER WILSON: Anybody else?
14	MR. ERWIN: I think probably you need to talk
15	to Mr. Tye about getting
16	COMMISSIONER WILSON: I mean, the
17	Commissioners are going to see the documents, the
18	parties are going to have the documents with the
19	numbers, but does anyone feel compelled to have to talk
20	about those numbers openly, such that the room would
21	have to be closed? Because you're going to have to
22	have an awfully compelling argument for me to agree to
23	do that.
24	MR. TYE: Give me just a minute,
25	Commissioner.

1	COMMISSIONER WILSON: Sure. (Pause)
2	Is some information that's in the Prehearing
3	Order confidential?
4	MR. TYE: It used to be Commissioner, but I
5	guess it's not anymore.
6	COMMISSIONER WILSON: Until it got in the
7	Prehearing Order? (Laughter)
8	MS. GREEN: Which information, Page 3?
9	MR. TYE: Part of the problem, Commissioner
10	Wilson, is that some of the information that was
11	granted specified confidential classification found its
12	way to Ms. Eudy's testimony. To the extent that those
13	numbers are in there, we're not going to AT&T will
14	not object to her presenting those numbers, you know,
15	in the record.
16	What we want to do is preserve our right to
17	protect this type of information in future cases to the
18	extent that it hasn't found its way into the testimony
19	already.
20	MR. ERWIN: No, unfortunately, there were
21	several slips in this case almost on the part of
22	everyone.
23	COMMISSIONER WILSON: We've actually found
24	that to be a very effective way of dealing with
25	confidentiality. (Laughter) You wait until the lawyer

blurts it out in the hearing, or one of the Commissioners does, and it sort of takes care of itself. (Laughter)

MR. ERWIN: That's kind of what has happened in this docket so far, and the thing that -- and I'm sympathetic to Mr. Tye's desire to keep this kind of information confidential, although in this case it's almost out of hand at this point. So I don't know what to do about that, other than to discuss it here and see what we can do about it. I don't in any way want to have -- you know, have stumbled and done something to prejudice Mr. Tye's right, as I see it, to keep this stuff confidential.

that the inadvertent disclosure of what has been determined to be classified information does nothing to compromise Mr. Tye's rights, either in future cases with respect to the same kind of information as produced, or in any other means, other than the fact that this specific information has been inadvertently disclosed. Obviously, you can't put the horse back in the barn here.

MR. TYE: Commissioner Wilson, to the extent that it is already in the prefiled testimony, we won't object to it.

1	COMMISSIONER WILSON: There's not really much
2	you can do about it at that point, anyway.
3	MR. TYE: I don't think so. I don't think
4	it's going to put us out of business giving the numbers
5	that are in here but, you know, it's a matter of
6	principle that we want to maintain in future cases.
7	COMMISSIONER WILSON: Does anybody disagree
8	that the inadvertent disclosure of this does not bear
9	at all on the ability in the future to claim same or
10	similar treatment for same or similar information?
11	MR. ERWIN: Well, hopefully, the inadvertent
12	slips that we've all made are irrelevant, as far as his
13	position goes in the future.
14	COMMISSIONER WILSON: I would think so.
15	Anybody have a contrary view? Good.
16	I wondered about this when I saw it, when I
17	was reading through the Prehearing Order.
18	MS. GREEN: This was actually disclosed some
19	time ago in a recommendation before I became involved
20	in the docket; before I even worked here. (Laughter)
21	COMMISSIONER WILSON: So we can't blame you.
22	MS. GREEN: No, sir.
23	MR. ERWIN: You can blame her because it
24	won't do any good. (Laughter)
25	COMMISSIONER WILSON: I mean it would be
	1

1	incorrect to do that.
2	All right. Anything else we need to take
3	care of before we start going through the issues
4	themselves?
5	MR. BURT: Gilchrist County, although we
6	didn't list them as witnesses, they're not expert
7	witnesses, but we have invited all of our
8	constitutional officers, as well as our senator and
9	representative, to be there. Hopefully, they all will
10	be there.
11	COMMISSIONER WILSON: Do you anticipate that
12	they will be?
13	MR. BURT: I anticipate that they will be.
14	COMMISSIONER WILSON: How many people would
15	that be?
16	MR. BURT: Well, we have five constitutional
17	officers and we have our five County Commissioners. We
18	anticipate that there will be someone from the School
19	Board, either the School Superintendent or an assistant
20	superintendent, or both. And Senator Kirkpatrick and
21	Representative Alan Boyd.
22	REPORTER: I'm sorry, did you say Alan or
23	Ellen?
24	COMMISSIONER WILSON: Alan.
25	MR. BURT: If I said Ellen, I always say it
1	1

wrong. Everyone gets on me on how I pronounce my "e's" and my "a's" and, then, of course, we're hoping that there will be a lot of residents of the County that will be there.

COMMISSIONER WILSON: One of the procedures that we've often followed in these is to allow people to adopt others' testimony so that we don't get into a lot of repetition and hear the same thing over and over. I'll make a point of announcing that at the beginning of the hearing.

MR. ERWIN: Could I ask a question regarding that?

COMMISSIONER WILSON: Yes.

MR. ERWIN: Are the County Commissioners, for example, going to testify as users of the service, or are they going to testify in their capacity as representatives of users of the service, or do you know at this point?

MR. BURT: I would anticipate both.

MR. ERWIN: If they are going to testify in a capacity as a representative of the users of the service I think, although I wouldn't, you know, make the request that they be required to file prefiled testimony, I would like to have some capsule statement of what the gist of their testimony in that regard

might be, if that's possible, or something like that.
Is that possible? I know we never get that from
customers, but if it's a representative representing
them, it seems that it's not too much to ask to put us
on notice as to the gist of what they might say.
MR. BURT: Well, the gist of what they might
say is the fact that there are three different pockets
in Gilchrist County. And I think three Commissioners,
probably four Commissioners, within their districts
they have at least two different pockets that has at
least one long distance exchange into Trenton, the main
exchange, 463, the 463 exchange. And their testimony
will be they can get a lot of "Why haven't you done
something about this? Why haven't you tried to do
something about this? Why can't I call my mother
across the street without having to call long distance
and it cost me this much?" That's going to be the gist
of what you're going to hear.
COMMISSIONER WILSON: It will be primarily
the basic position that you have presented here
MR. BURT: That's right.
COMMISSIONER WILSON: with probably some
anecdotal evidence of particular instances?
MR. BURT: That's right.
COMMISSIONER WILSON: Do you need anything

more than that, Mr. Erwin? I can't imagine it being anything other than that.

MR. ERWIN: Well, yes, I would like something more than that. I would like to at least know who the people are and who their constituents are. For example, if there's a County Commissioner that has people in his District who are subscribers of the Branford exchange, then I think maybe that would be good to know, who's going to be doing what.

MR. BURT: I think one of the exhibits that we intend to file, and which a copy was with our prehearing statement, shows the five different Districts in the County. If you can plot the different exchanges on these Districts, that will give you an idea of which Representative will be involved. Is that what you're getting at?

MR. ERWIN: Yes, that's what I was getting at.

MR. BURT: In fact, if I can, I'll try to prepare an overlay of the Districts, as well as the other question. We have two different School Districts in the County, too, and I'll try to prepare an overlay and use on your exhibit, which I forgot to do, that breaks out the different exchanges, the four different exchanges in the County.

1	MR. KEENER: To the extent possible, it would
2	be helpful for Southern Bell if the County knows who's
3	going to be up there representing the County, if we
4	could have a list identifying those individuals and
5	identifying their positions in the County. I think
6	that would be helpful just from, you know, the
7	strategic point of view, so that we can prepare the
8	proper questions for them in advance of the hearing.
9	MR. BURT: I will be glad to. I can tell you
10	now or I can provide you with a list by mail.
11	MR. KEENER: Okay.
12	COMMISSIONER WILSON: Which way would you
13	like it, now or by mail?
14	MR. KEENER: By mail, if that's okay with
15	you.
16	MR. BURT: Sure.
17	MR. ERWIN: That's what I'd like, too, if
L8	possible.
L9	COMMISSIONER WILSON: Which phase of the
20	hearing will these witnesses fall into?
21	MR. BURT: I had anticipated initially, in
22	the Citizen input.
23	COMMISSIONER WILSON: All right.
24	MR. BURT: And at the hearing, beyond that
, 5	noint we would probably have one County Commissioner

1	the Clerk of the Court. We had Mr. Charles Watson
2	down, and we had prefiled testimony on Mr. Watson. And
3	probably someone from the School Board. We had listed
4	the Assistant Superintendent, Jim Surrency (phonetic);
5	we may well have Carl Williams, who is the
6	Superintendent of Schools.
7	COMMISSIONER WILSON: All right. If they
8	testify in the initial phase, which is the general
9	public phase, then we don't want to duplicate it in the
10	second phase. So it's one or the other.
11	MR. BURT: I can't anticipate that they are
12	going to be saying much more than they would be saying
13	in the initial phase.
14	COMMISSIONER WILSON: Okay.
15	MR. BURT: I noted that Jackie Barron
16	responded to the interrogatories and I think Ms. Green
17	had listed those interrogatories as one of the exhibits
18	for the Public Service Commission. So I assume you
19	want Jackie Barron there anyway.
20	COMMISSIONER WILSON: What time does this
21	hearing start, at 9:30?
22	MS. GREEN: I believe it's 10 a.m. Yes, it's
23	10 a.m.
24	COMMISSIONER WILSON: All right. Now, you're
25	going to provide a list of the witnesses, the

T	Constitutional officers, County Commissioners, School
2	Board, and others, and in addition you're going to
3	prepare an overlay showing the telephone exchanges, the
4	Districts of the County Commissioners and the School
5	Districts?
6	MR. BURT: Right. If I could get I don't
7	know what exhibit is intended to be used by the phone
8	companies on the four different exchanges. If that
9	exhibit is ready I would like to use the same one.
10	MR. KEENER: I'm not sure which one you're
11	referring to, but afterwards perhaps you could show me
12	MR. BURT: All right.
13	COMMISSIONER WILSON: Why don't you all get
14	together afterwards and you can decide that.
15	And, Mr. Erwin, do you need anything more
16	than what we've discussed this morning, or this
17	afternoon here, as notice of what witnesses are going
18	to testify to?
19	MR. ERWIN: No, I think that will be fine.
20	COMMISSIONER WILSON: Let's go to the issues
21	then. Issue No. 1 seems to be pretty straightforward.
22	(Pause) We have both exchange studies and pocket
23	studies, is that right?
24	MR. ERWIN: Yes, we do.
25	COMMISSIONER WILSON: All right, so we know

1	whether they meet the rule on either basis. All right,
2	Issue 3. (Pause)
3	Has there been I can't recall because it
4	hasn't come to Agenda, the five free calls and 25 cents
5	per call analysis. Do we have that, what the financial
6	impact of that is?
7	MR. ERWIN: Well, there were some
8	interrogatories directed to that issue.
9	COMMISSIONER WILSON: I haven't been through
10	those. Do we have the information, though?
11	MS. EUDY: The analysis shows the 25-cent
12	calling but there's no free-call allowance. That was
13	not requested.
14	COMMISSIONER WILSON: Right, okay. Issue No.
15	4. Does anybody have any problems with any of first
16	three issues?
17	MR. KEENER: No problems, Commissioner
18	(Pause)
19	COMMISSIONER WILSON: Do we have information
20	on the EOEAS take rate?
21	MR. KEENER: The take rate, we do.
22	COMMISSIONER WILSON: Okay. Issue 5. What
23	is the is the County's position that the people who
24	benefit from the service ought to pay for it up to the
25	extent of \$1.10 but nothing beyond that?

17 1 MR. BURT: That's right. 2 COMMISSIONER WILSON: Where does that \$1.10 3 come from? I'm not familiar with what went on in the 4 Newberry exchange. 5 MR. BURT: When the alternative plan was 6 first offered in Newberry, and in looking at what was 7 offered it appeared as though the 472 exchange has 8 access to all the Gainesville lines, and I think Archer 9 and some other ones, maybe one other exchange. And it 10 appeared as though that an option was extended to the 11 users in Gilchrist County that if they wanted to reduce 12 their bill by \$1.10 they could do so and give up the 13 access to the other exchanges that 472 has. And those 14 other --15 COMMISSIONER WILSON: I thought that was a 16 fall-back option under that EO EAS. 17 MR. BURT: That's right, and that provided 18 access to the 80,000 different lines and the savings 19 that the customer has is \$1.10. 20 COMMISSIONER WILSON: If that \$1.10 does not 21 represent the appropriate cost, is it the County's 22

position that the telephone company, or companies, should recover all of their costs from these users or

23

24

25

not?

MR. BURT: I can't tell you what that cost

would be so I'll answer "no" right now.

commissioner wilson: The reason I asked that is I'm not sure -- I don't know, again, the substance of it -- I'm not sure what the \$1.10 represents, that fall-back amount. I mean, it may bear no relation to the cost, we'll find that out at the hearing. But if it doesn't, then what I'm looking for is the principle that drives the position. Is it that the subscriber should bear a reasonable amount of the cost, or all of the cost, or none of the cost. I see it's not to exceed 1.10, but the 1.10 may have something to do with something completely different. In other words, would \$2 be unreasonable, or \$3.

MR. BURT: The principle, or the view that the County took was that if that's what it costs, \$1.10, to have access to these 80,000-plus lines then for the residents of Gilchrist County to have access to a very small percentage of those number of lines, different lines, then the cost shouldn't be more than what it was costing or what would appear to be the cost on the Newberry subscribers. (Pause)

MR. ERWIN: I would just state for the record that that has no relationship whatsoever to anythiing that ALLTEL has done since this cost mentioned is strictly a Southern Bell cost, as I understand it.

1	COMMISSIONER WILSON: Okay. If I remember
2	what that is, I'm not sure that it actually relates to
3	cost at all, but has to do with well, I'm not
4	exactly sure what it is. That's why I'm looking for
5	for instance, Staff's position looks at lost LEC MTS
6	revenues, lost FX revenue, access charges, and whatever
7	additional facilities costs would be required to offer
8	either countywide calling or calling among pockets.
9	And, you know, costs are what costs are, and the
10	principle I'm looking for, and to see if Gilchrist
11	County has a position on this, is from whom should
12	those costs be recovered. And you've got I guess
13	you have three choices. You've got the general body of
14	ratepayers, so that all the other customers of the
15	company would eat part of that cost or expense. It car
16	be borne by the customers who benefit; I guess
17	theoretically could be eaten by the shareholders.
18	(Pause)
19	Your position is not going to go beyond the
20	\$1.10?
21	MR. BURT: I'm not prepared to say anything
22	beyond that right now.
23	COMMISSIONER WILSON: I'm not really trying
24	to push you into something, but when we deal with EAS,

this is part of the real headache of looking at EAS, is

25

nes the answer is . And we always
And we always
what may have been
similar to this, but
thing on Issue 7?
?
just a moment here?
e. (Pause)
we would need to
sition is.
l that the cost
gree with that
ssue. Then we
there would be any
chink that may be
and what the
the two companies.
ust we'll keep
kind of conditional
in the case.

1	one-party rate for those customers in Gilchrist County,
2	ALLTEL customers?
3	MS. EUDY: It's about \$9 and something. I
4	don't have the exact amount with me. Do you have our
5	rates?
6	MR. CIMERMAN: I don't have yours, Harriet.
7	It's 7.70 for Trenton and 8.80 for Newberry.
8	MS. EUDY: Ours are generally in the \$9
9	range. (Pause)
10	MR. BURT: That would be both High Springs
11	and Branford?
12	MS. EUDY: And Branford, right. It varies
13	with the calling scope. I think the range
14	REPORTER: You all need to raise your voices,
15	please.
16	MR. BURT: I asked the question if that was
17	the same for the High Springs exchange and the Branford
18	exchange.
19	COMMISSIONER WILSON: All right, Issue 9. Is
20	this going to be briefed, I suppose?
21	MR. KEENER: This will be briefed. We set
22	forth a basic position in Issue 8.
23	MR. CIMERMAN: Commissioner, I found those
24	rates, if you're interested in them.
25	COMMISSIONER WILSON: Yes, I would like to

1	have them.
2	MR. CIMERMAN: For ALLTEL, at Branford I'm
3	showing \$9.60; High Springs it's 9.95. That was as of
4	October of last year.
5	COMMISSIONER WILSON: So Branford is 9.60 and
6	High Springs is 9.95?
7	MR. CIMERMAN: That's correct.
8	COMMISSIONER WILSON: And is there an EAS
9	additive? Do they have any EAS on any of those?
10	MR. SANDERS: On Trenton and Newberry?
11	COMMISSIONER WILSON: Yes.
12	MR. SANDERS: It's 7.70 for Trenton, Trenton
13	gets Chiefland today.
14	COMMISSIONER WILSON: For the 7.70?
15	SS: Yes, for the 7.70
16	COMMISSIONER WILSON: And then Newberry gets
17	Alachua, Archer, Gainesville and High Springs for the
18	8.80?
19	SS: Right.
20	COMMISSIONER WILSON: And Branford?
21	MR. CIMERMAN: Branford gets Dowling Park and
22	they get
23	COMMISSIONER WILSON: Okay. I have that
24	list. Do they get it for the 9.60?
25	MR. CIMERMAN: Correct. And, similarly, for

1	High Springs, they get all of theirs for 9.95.
2	MS. GREEN: Would you like us to include that
3	in the "Background" section?
4	COMMISSIONER WILSON: I think that's always
5	useful, yeah. As a matter of fact, it can go on that
6	page where it shows the exchange and the calling scope
7	MS. GREEN: Okay.
8	COMMISSIONER WILSON: Issue 10. I guess
9	that's dependent on Issue 9. (Pause)
10	Is there anything else? This starts at 10?
11	MR. ERWIN: Yeah, and I don't think anyone
12	knows how to find this or where it is. Where's Bell?
13	MR. BURT: Bell is approximately nine miles
14	north of Trenton, if you can find Trenton. (Laughter)
15	MR. ERWIN: I can find Trenton.
16	MR. BURT: It's approximately 30 miles west
17	of Gainesvilsle, and there's one red light in the
18	County, which happens to be in Trenton. Coming from
19	Gainesville, assuming that's where you would be coming
20	from
21	MR. ERWIN: I probably would be coming from
22	Live Oak.
23	COMMISSIONER WILSON: You can't get there
24	from there. (Laughter)
25	MR. BURT: Coming from Live Oak you've going

1	to running into Bell before you run into Trenton. It's
2	right on 129. So across the Santa Fe River and head
3	south. (Pause)
4	COMMISSIONER WILSON: I just want to make
5	sure that we're going to act reasonably and be able to
6	finish this within a reasonable amount of time.
7	You're going to do a presentation initially?
8	MS. EUDY: A summary?
9	COMMISSIONER WILSON: Yes.
10	MS. EUDY: Yes.
11	COMMISSIONER WILSON: And you will be also?
12	MR. KEENER: Yes.
13	COMMISSIONER WILSON: Okay. Anything else?
14	If not, thank you very much, and we're
15	adjourned.
16	MR. ERWIN: Thank you.
17	(Thereupon hearing adjourned at 2:10 p.m.)
18	
19	
20	
21	
22	
23	
24	
25	