

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

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In The Matter of : DOCKET NO. 920260-TL  
: :  
Comprehensive Review of the :  
Revenue Requirements and Rate:  
Stabilization Plan of :  
SOUTHERN BELL TELEPHONE :  
AND TELEGRAPH COMPANY :  
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PROCEEDING: SERVICE HEARING

BEFORE: COMMISSIONER BETTY EASLEY  
Prehearing Officer

DATE: Thursday, August 6, 1992

TIME: Commenced at 6:00 p.m. CDT  
Concluded at 6:50 p.m. CDT

LOCATION: Holiday Inn - Mall  
Mall Room  
2001 North Cove Boulevard  
Panama City, Florida

REPORTED BY: SYDNEY C. SILVA, CSR, RPR  
Official Commission Reporter

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## 1 APPEARANCES:

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4 Peachtree Street, Northeast, Atlanta, Georgia 30375,  
5 Telephone No. (404) 529-3865, appearing on behalf of  
6 Southern Bell Telephone and Telegraph Company.

7 SUE RICHARDSON, Office of the Public Counsel,  
8 c/o the Florida Legislature, Claude Pepper Building,  
9 Room 812, 111 West Madison Street, Tallahassee, Florida  
10 32399-1400, Telephone No. (904) 488-9330, appearing on  
11 behalf of the Citizens of the State of Florida.

12 PAT KURLIN, FPSC Division of Legal Services,  
13 101 East Gaines Street, Tallahassee, Florida  
14 32399-0863, Telephone (904) 487-2740, on behalf of the  
15 Commission Staff.

16

## 17 ALSO PRESENT:

18 JOSEPH P. LACHER, President, Southern Bell of  
19 Florida.

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2 Notice of Publication  
Panama City Area

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P R O C E E D I N G S

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

COMMISSIONER EASLEY: Good evening. We tried to do a mike check, can everybody hear me all right? Great, thank you very much.

My name is Betty Easley, I'm a member of the Public Service Commission from Tallahassee. In a minute, we're going to read the notice, take appearances of counsel, and go through some very minor formalities. But the main reason for our being here tonight is to hear those customers who wish to testify about the proposed rate change by Southern Bell.

The Company will make an opening statement; and then those people who wish to testify will be asked to come up here to the podium and say whatever it is you wish to say.

You will be sworn in. The reason for doing that is not to intimidate you or talk you out of testifying; but, because this is a formal record, in order for your comments to be part of the record, they have to be sworn testimony and the court reporter will take them down. Because of that, I may have a question or one of the attorneys may have a question -- not usually, but sometimes we don't understand something and we just want to get some further information. So

1 don't feel intimidated by it, it is just part of the  
2 routine.

3           On the back of this yellow information sheet  
4 that you received tonight, you will find a place where  
5 you can make comments to mail to us. It is a  
6 self-mailer; just deattach it and fold it up and mail  
7 it up there. This gives you the opportunity to make  
8 comments if you don't wish to stand up and speak.

9           And these will become part of the record, so  
10 don't feel that you're not getting your two cents in by  
11 filling out the form. You will, indeed.

12           We're having a series of public hearings all  
13 around the state, as you were able to see from this  
14 information sheet. And then about the first of the  
15 year, we will have the formal hearing, the evidentiary  
16 hearing, in Tallahassee. My understanding is it's  
17 scheduled for about two weeks, I believe.

18           And it is about as close to a civil trial as  
19 anything you'll see outside of a courtroom. That's one  
20 of the reasons for the kind of formality that we go  
21 through in getting the record complete. A great many  
22 of the questions that you have will be asked and  
23 answered at the time of the evidentiary hearing.

24           With that little bit of explanation -- and if  
25 I think of anything else as we go along or you have any

1 other procedural questions, we'll try to cover them.

2 Counselor, would you read the notice please.

3 MS. KURLIN: Pursuant to notice, this time  
4 and place has been set for public hearing in Docket No.  
5 920260-TL, comprehensive review of the revenue  
6 requirements and rate stabilization plan of Southern  
7 Bell Telephone and Telegraph Company.

8 COMMISSIONER EASLEY: Thank you. We'll take  
9 appearances of counsel.

10 MR. ANTHONY: Harris Anthony on behalf of  
11 Southern Bell Telephone and Telegraph Company.

12 MS. RICHARDSON: Sue Richardson on behalf of  
13 the Office of Public Counsel, representing the  
14 customers in this rate case.

15 MS. KURLIN: Pat Kurlin on behalf of the  
16 Commission Staff.

17 COMMISSIONER EASLEY: Thank you very much.

18 MR. ANTHONY: Commissioner, one preliminary,  
19 we have the Notice of Publication, Affidavits of  
20 Publication of the notice for this hearing, showing  
21 that there was notice published on July 28th and August  
22 4th in the News Herald; and I'll provide those to the  
23 court reporter.

24 COMMISSIONER EASLEY: The Notice of  
25 Publication for the Panama City area will be Exhibit 2.

1 (Exhibit No. 2 marked for identification and  
2 received in evidence.)

3 COMMISSIONER EASLEY: And I understand that  
4 the Company wishes to make a brief opening statement.

5 MR. LACHER: Yes. Thank you, Commissioner.

6 Good evening, my name is Joe Lacher. I am  
7 the President of Southern Bell of Florida and I'm  
8 responsible for Southern Bell's operations in this  
9 state. I appreciate the opportunity to be with you  
10 tonight and discuss matters of importance to your  
11 community.

12 Southern Bell has served your community for a  
13 great many years. We have been and are committed to  
14 providing quality service to our 68,000 customers in  
15 the Panama City area and we're working hard to meet  
16 your telecommunications needs in a timely and  
17 cost-efficient fashion.

18 Our commitment also extends to actively  
19 supporting the community, as we demonstrate through our  
20 involvement in such efforts as the Bay County Chamber  
21 of Commerce of 100 and the Bay County School System  
22 Partnership Program. In addition, we are providing  
23 support to the Gulf Coast Community College and FSU  
24 Panama City Campus Foundations.

25 Our principal purpose for being here this



1 evening is to discuss the new regulatory plan Southern  
2 Bell is proposing to the Public Service Commission,  
3 which we filed on July 15th of this year.

4           The timing of this filing is due to two  
5 factors. First, the plan we had approved in 1988 will  
6 expire at the end of the current year. And secondly,  
7 we are meeting the requirements outlined in the  
8 legislation passed in 1990. Our new plan is intended  
9 to address the many changes occurring within -- excuse  
10 me, I can't see with the lights here.

11           Our new plan is intended to address the many  
12 changes occurring within our industry. I will discuss  
13 these changes and what they mean to you. I will also  
14 provide you with an overview of the benefits our  
15 customers will receive as a result of the proposed  
16 plan.

17           There have been many changes in the  
18 telecommunications environment, but perhaps the most  
19 noteworthy are in the areas of technology and  
20 competition. You may have seen and heard about the  
21 rapid advances in both. The result is that you have  
22 more products and services to choose from and more  
23 flexibility in the way you use your telecommunications  
24 network.

25           These changes have also brought new

1 competition to every aspect of our business. This  
2 competition gives you the opportunity to select other  
3 alternative providers for these new services, as well  
4 as the services which traditionally only the telephone  
5 company has provided.

6 We encourage and support this competition.  
7 But we also need the regulatory flexibility to fairly  
8 and effectively meet this new competition.

9 Our employees have become more aware of this  
10 new environment and we've really sharpened our focus on  
11 the customer. Quality service has always been our goal  
12 and we're working hard to improve that standard. We  
13 are implementing new programs and processes to become  
14 more efficient in our operations. Also, we are  
15 bringing more products and services to improve our  
16 customers' business operations and to use  
17 telecommunications to improve the quality of life for  
18 all of Florida's citizens.

19 We want to make all of your experiences with  
20 us positive. Our customer service priority is the  
21 primary reason we recently published a letter to you,  
22 our customers, in the News Herald regarding the  
23 importance of your trust in us at Southern Bell. We  
24 adhere to the highest standards of business practices  
25 and take that responsibility seriously. Quality

1 service and customer confidence are critical to us,  
2 regardless of the other changes in the field of  
3 telecommunications.

4           However, as the telecommunications industry  
5 continues to change, it is crucial that the regulatory  
6 structure keep pace. Let me briefly describe Southern  
7 Bell's proposed price regulation plan and the customer  
8 benefits that are included.

9           Southern Bell's price regulation plan  
10 provides the Company with some needed flexibility in  
11 meeting the demands of our customers in the  
12 marketplace. The plan also maximizes customer benefits  
13 by fostering to continue the development of new and  
14 enhanced services.

15           Included in the plan is a 4% productivity  
16 commitment which challenges us in the Company to  
17 increase our efficiency. This commitment assures our  
18 customers a decrease in the real cost of service as  
19 compared to inflation. In addition, if our Company  
20 performs successfully, there's a potential for you to  
21 share in the Company's earnings above a threshold  
22 level.

23           There's also other customer benefits proposed  
24 in Southern Bell's plan. In response to the Public  
25 Service Commission direction that we reduce rates on a

1 permanent basis by \$47 million, we have recommended  
2 rate reductions in the following: service connection  
3 charges, certain residential custom calling features,  
4 and some business access services.

5 In addition, we have proposed a Lifeline  
6 Program established for low income customers. The  
7 program would benefit qualified customers by applying a  
8 \$7 credit to their monthly telephone bill, thus  
9 supporting affordable service for all of Florida's  
10 citizens.

11 Beyond the reduction directed by the  
12 Commission, we have also proposed a \$33 million annual  
13 reduction in addition as part of our plan. These  
14 reductions include an optional -- and I stress  
15 "optional" -- plan which expands our local calling  
16 area.

17 Panama City residential customers who would  
18 choose this option would pay only \$6.80 per month for a  
19 phone line, \$2 less than your current rate. This rate  
20 would include two-and-one-half hours of calling for no  
21 additional charge. Following the first two-and-a-half  
22 hours, a rate of two cents per minute would apply for  
23 up to a total of no more than \$13.80 maximum.

24 The practical result of this part of the plan  
25 is if you make four hours or less a month of calls,

1 out-bound calls, within your current local calling  
2 area, you would automatically save money. If you make  
3 more than four hours of calls, your rate will never  
4 exceed that \$13.80 per month limit.

5 But the other part of the plan results in  
6 further potential savings. The customer selecting this  
7 plan will receive deep discounts from existing toll  
8 rates for calls to an expanded local calling area. The  
9 proposed rates -- excuse me. The proposed rates for  
10 calls to the expanded area will be only 8 cents per  
11 minute. For instance, today, a three-minute from  
12 Panama City to Port St. Joe costs 57 cents. Users of  
13 this plan would pay only 24 cents, almost a 60%  
14 savings.

15 In simpler terms, what this plan provides is  
16 one more option where you may pay as little as \$6.80  
17 and no more than \$13.80 for your basic local calling  
18 area; and beyond that, for 8 cents per minute, you will  
19 be able to call as far as St. Joe, Sunny Hills, the  
20 Beaches, Vernon or Wewahitchka.

21 An added benefit of the plan is that almost  
22 all of the calls in the expanded local calling area can  
23 be made by dialing only seven digits.

24 Also, we have proposed reductions in  
25 intrastate long distance access charges and cellular

1 interconnector rates to those companies which provide  
2 intrastate long distance and cellular services to you.  
3 These reductions could result in lowering your rates  
4 for these services.

5 Another part of our proposal is to  
6 participate in the Enterprise Zone Program as  
7 established by the State of Florida. This program  
8 encourages economic development and revitalization.  
9 Financial incentives are provided to qualifying  
10 businesses which locate, rebuild or expand their  
11 operations in these zones. Downtown Panama City and  
12 the Cove Boulevard area would qualify for the program.  
13 Our proposal would support the state's initiative by  
14 proposing to waive and discount charges for certain  
15 telecommunication services to qualified business  
16 customers for up to one year.

17 Now, this list of customer benefits is not  
18 all-inclusive. However, it is important to recognize  
19 that our proposal provides direct value for customers  
20 while also motivating the Company to further improve  
21 its efficiency -- which is, in itself, a benefit to  
22 you, our customers.

23 In summary, we at Southern Bell believe the  
24 price regulation plan is a necessary next step. It  
25 enables us to meet our customer demands as well as new

1 competition, which continues to increase our business.  
2 We are dedicated to providing you with quality service  
3 and we want to hear from you. We really do appreciate  
4 your business and I want to thank you for being here  
5 tonight.

6 I commit to you that we will do our best to  
7 ensure that your service is nothing, nothing less than  
8 excellent.

9 Thank you.

10 COMMISSIONER EASLEY: Thank you, Mr. Lacher.  
11 Ms. Richardson with the Public Counsel office?

12 MS. RICHARDSON: Yes, I want to start off by  
13 saying thank you also for --

14 COMMISSIONER EASLEY: Ms. Richardson, get a  
15 little closer to your microphone, please.

16 It's on, just get a little closer.

17 MS. RICHARDSON: Am I clear now?

18 COMMISSIONER EASLEY: Can you hear?

19 MS. RICHARDSON: Are you able to hear me?

20 Great.

21 I want to first of all thank all of you for  
22 taking time to come by this evening to let your views  
23 be known to the Commission. And I want to encourage as  
24 many of you as feel comfortable to speak to the  
25 Commission tonight and let your views be known. It is

1 important that you get your views on the record in  
2 order to truly be heard here tonight.

3           First of all, I would like to say that  
4 Southern Bell has requested in this particular rate  
5 docket an increase for the return on equity of over  
6 13.5% after taxes. Now, I would like you to think  
7 about what kind of percentage rate you're getting in  
8 today's market on your CDs, on your savings accounts,  
9 and think whether or not you believe that is truly  
10 equitable and fair in today's market. We do not. We  
11 think it's excessive.

12           Southern Bell is calling for a rate reduction  
13 plan. Southern Bell says that it is asking for a \$60  
14 million reduction. \$45 million of that will come from  
15 what you're already receiving as a credit on your  
16 monthly bill, that is an average of about 75 cents per  
17 customer that you are presently receiving. Southern  
18 Bell would take that present credit and use it in  
19 another fashion so that you would no longer be  
20 receiving the credit that you are presently getting.  
21 That means that the \$60 million reduction ends up being  
22 only about \$15 to \$16 million.

23           Public Counsel on your behalf is asking for a  
24 \$100 million rate decrease. We feel that that is well  
25 within the ballpark of what should be occurring now



1 with the present market conditions.

2           Southern Bell's rate proposal that was  
3 expressed here tonight is a departure from what you  
4 presently do. Presently, you pay a flat rate and then  
5 you pay a long distance carrier for your long distance  
6 phone bills. We want to see the present system kept.  
7 We feel that it is the best system that is presently in  
8 place.

9           What they are offering you they call an  
10 "Optional Extended Local Calling Plan." That's really  
11 just measured service. In other words, you pay 2 cents  
12 a minute for your local calls, so it's like paying long  
13 distance to make a local phone call at 2 cents a  
14 minute; and then you pay 8 cents a minute within this  
15 40-mile radius; so that's paying long distance,  
16 basically, for your local calls. It's measured  
17 service, measured by the minutes or the by times that  
18 you talk. On top of the flat rate.

19           Now, the flat rate is a little bit below what  
20 you're presently paying; but then you're also paying  
21 what I'm calling long distance charges, perhaps for  
22 lack of a better word, but so that can you kind of get  
23 the feel for what you're paying for under that optional  
24 plan.

25           Southern Bell already has a message rate

1 service that is available now if you choose to take it.  
2 You pay 60% of your present flat rate under the message  
3 rate service; and that includes a monthly flat rate  
4 charge; you get your first 30 calls free, that's like  
5 one free call a day, and then you pay 10 cents a  
6 message or a call for every call after 30 calls.

7           So if you want a different plan, one is  
8 already is available to you. If you don't like your  
9 present flat rate plus long distance calls, you can go  
10 to a message rate if you want to and decrease your flat  
11 rate you're paying now by about 60%.

12           As I said earlier, we want to keep the  
13 present rate structure in place, your flat rate plus  
14 any special TouchTone, any special Call Forwarding,  
15 those kinds of things that you may have that you pay  
16 extra for, and then your long distance. We feel that's  
17 the best plan.

18           In the midst of all of this, Public Counsel  
19 will be presenting evidence that Southern Bell has  
20 mishandled customer records. Southern Bell is asking  
21 at this time a relaxation of regulation in the face of  
22 complaints and allegations of customer record  
23 mishandling and assumptive sales that they have made.

24           Their present plan, we calculate, would  
25 actually be a 5% increase in rates for customers on an

1 average. So we're opposed to it at this time. Public  
2 Counsel on your behalf will ask for a \$100 million rate  
3 decrease in Southern Bell's plans plus keep the present  
4 rate structure -- your flat rate plus long distance  
5 plus any extra phone additives that you get, any extra  
6 services that you add on.

7           Lastly, what I would like you to do for us,  
8 so that we can have a record of your having been here  
9 even if you don't speak, so that we'll have a record  
10 and we can turn it in to the court reporter and the  
11 Commission as to who was actually present in the  
12 meeting even if you did not feel comfortable getting up  
13 to the podium, there are some sign-up sheets in the  
14 back on the table by the water and a pen. If you would  
15 please, either now or at some point if you haven't  
16 already signed up, please sign up. If you would like  
17 to speak, just put a star by your name and Commissioner  
18 Easley will make sure that you have the opportunity to  
19 speak tonight.

20           I thank you very much.

21           COMMISSIONER EASLEY: Thank you, ma'am. Are  
22 there any preliminary matters? No.

23           I have three people who have signed up to  
24 speak but I have seen a couple of people who have come  
25 in in the last few minutes. Is there anyone who wishes

1 to testify who has not signed up to do so? Another  
2 one?

3 I'll tell you what, let's take about five  
4 minutes. Those people who have come in late, I'll ask  
5 you to go sign up on the sign-up sheet; and the lady in  
6 the back with the clipboard has the sign-up sheet.

7 (Brief recess.)

8 - - - - -

9 COMMISSIONER EASLEY: We'll go back on the  
10 record, please. Will all of you who signed up to speak  
11 please rise and I'll swear you all in at one time, it  
12 will save a little time.

13 (Witnesses collectively sworn)

14 COMMISSIONER EASLEY: Thank you. Be seated,  
15 please.

16 - - - - -

17 COMMISSIONER EASLEY: Ms. Grace Anderson?

18 GRACE ANDERSON

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

22 COMMISSIONER EASLEY: Ms. Anderson, if you  
23 would give us your name and address, please, for the  
24 record.

25 WITNESS ANDERSON: I'm Grace Anderson, 3902

1 East 11th Street, Apartment D.

2 UNIDENTIFIED SPEAKER: Still can't hear you.

3 COMMISSIONER EASLEY: Get a little closer.

4 WITNESS ANDERSON: Grace Anderson.

5 COMMISSIONER EASLEY: And your address, Ms.

6 Anderson?

7 WITNESS ANDERSON: 3902 East 11th Street,

8 Apartment D.

9 COMMISSIONER EASLEY: Thank you, ma'am. And  
10 what did you wish to say to the Commission tonight?

11 WITNESS ANDERSON: I'm here to represent the  
12 visually-impaired people, deaf people,  
13 mobility-impaired people that use their phones for an  
14 outlet as communication. And paying by the minute,  
15 we'd go broke. We wish to have our phones left as they  
16 are.

17 COMMISSIONER EASLEY: Thank you very much,  
18 Ms. Anderson, I appreciate it. Thank you for being  
19 here.

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21 COMMISSIONER EASLEY: Mary Mauldin?

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MARY INEZ MAULDIN

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

WITNESS MAULDIN: My name is Mary Inez Mauldin, I live at 205 North Bonita Avenue, Panama City, Florida.

COMMISSIONER EASLEY: Thank you, ma'am.

WITNESS MAULDIN: What else did you need?

COMMISSIONER EASLEY: You just tell me whatever you want me to hear.

WITNESS MAULDIN: I am a totally blind wife, mother, school teacher, a member of the Florida Council of the Blind and the American Council of the Blind and a member of the Board of Trustees of the Florida School for the Blind.

COMMISSIONER EASLEY: You aren't a little Irish, too, are you, by any chance?

WITNESS MAULDIN: Oh, very much so.

COMMISSIONER EASLEY: I thought you might be.

WITNESS MAULDIN: I say this to say that I have contact with a number of blind people over the state who have expressed a deep concern in hearing of the rate proposal. We of the blind community depend on our telephone, we have a love affair with our

1 telephone. This is our means of not only taking care  
2 of business, of calling doctors, but this is our means  
3 of social communication when otherwise it might be  
4 impossible to reach our friends.

5 We're deeply concerned over rate increases  
6 that would pose an undue hardship on many in the blind  
7 community. I use my telephone to reach parents after  
8 school as a teacher. I use my telephone to communicate  
9 with my friends. These are ways that I can reach out  
10 -- to use a well-worn term -- to touch other people  
11 when I cannot walk out my door and get into my vehicle  
12 to go see them.

13 Many years ago, before telephones were  
14 popular, I wouldn't have missed it because I didn't  
15 know it existed. But today, if my phone were taken  
16 from me or if I had to pay exorbitant rates, it would  
17 really make a difference in my life.

18 I ask you folks please to consider very  
19 carefully what you're doing to the handicapped if these  
20 rates should rise substantially.

21 Thank you very much.

22 COMMISSIONER EASLEY: Thank you, Ms. Mauldin.  
23 Appreciate your being here. (Applause)

24 - - - - -

25 COMMISSIONER EASLEY: Robert Rice?

1 ROBERT RICE

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

5 WITNESS RICE: Madam Commissioner, my name is  
6 Robert Rice. I live at 737 Brandeis Avenue here in  
7 Panama City.

8 COMMISSIONER EASLEY: Thank you, sir.

9 WITNESS RICE: I wish to address the optional  
10 expanded local service.

11 The only background for my comments are a  
12 somewhat cynical viewpoint that has developed after  
13 watching large corporations over many years. I view  
14 this, rightly or wrongly, as a foot-in-the-door attempt  
15 to change our local calling methods.

16 Historically, we have had two fairly distinct  
17 forms of communication by telephone: local, which meant  
18 for a flat rate you got all of the local calls you  
19 wanted any time you wanted to make them; and long  
20 distance, where you knew you were going to pay a  
21 per-time rate.

22 As I say, this now says "optional." The  
23 word "optional" can fairly easily be dropped. The  
24 rates are supposed to give us a reduced cost. That,  
25 again, can be changed in the future. And I can easily



1 forsee the day -- five or ten years from now, maybe not  
2 tomorrow -- when all service would be identical: You  
3 would pay a flat rate and then you would pay per minute  
4 for every call you make, whether it was next door or  
5 halfway around the world. And I vigorously oppose  
6 that.

7 I believe for our local service we should  
8 remain as we are where we can make any number of calls  
9 any time of the day for a flat rate in our local area.  
10 Thank you.

11 COMMISSIONER EASLEY: Thank you, Mr. Rice.

12 (Applause)

13

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14 COMMISSIONER EASLEY: Attorneys, I have been  
15 neglecting to ask anybody if they have questions; so if  
16 anybody does, they're going to have to speak up. Thank  
17 you.

18 Frank Bacen, is it? Or Baron?

19 WITNESS BACEN: Bacen.

20 COMMISSIONER EASLEY: Thank you, sir.

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## FRANK BACEN

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

WITNESS BACEN: My name is Frank Bacen, and my address is 201 Cottontail Lane, Panama City, Florida 32405.

I'm Executive Vice President of the Bay County Chamber of Commerce, which, among other things, is the designated Economic Development Agency for Bay County, Florida. My remarks tonight are going to be addressed to you from the perspective of a professional who spends much of his time in competition in the economic development arena.

For the last few years, I and my colleagues throughout the State of Florida have not fared as well in that arena as we had previously; and the major reason why is that the overall economy has been in a condition that has provided a disincentive for economic expansion for both business and industry.

And, by now, I guess it has become apparent to just about everybody that our stalled economy is not going to start itself but, rather, that it's up to each of us to do all that we can to try to get it going again.

And I believe that's what Southern Bell is

1 trying to do with its discount and waiver proposal for  
2 existing enterprise zones. And I believe you should  
3 help them by making it possible for them to do it.

4           There's a multiplicity of factors that enter  
5 into any site selection process for business and  
6 industry, so I don't think that you should expect that  
7 these proposed discounts and waivers are going to start  
8 any kind of a stampede into existing enterprise zones.  
9 But I think what they will do is that they will  
10 increase the success rate of businesses that do start  
11 in enterprise zones by providing them with periods of  
12 lowered overhead incubation at times that are critical  
13 in the lives of these typically small businesses --  
14 start-up, rebuilding and expansion.

15           Your approval of this proposal will  
16 articulate your commitment to doing what you can to  
17 stimulate the Florida economy in the precise geographic  
18 locations where it is already known to be in the  
19 greatest need of stimulation, in the enterprise zones.  
20 That's an important message to articulate socially as  
21 well as economically.

22           I hope that you elect to send that message,  
23 and I thank you very much for allowing me to express to  
24 you my views on that subject. (Applause)

25           COMMISSIONER EASLEY: Thank you very much,

1 Mr. Bacen. Appreciate it.

2 - - - - -

3 COMMISSIONER EASLEY: Edward Malagon?

4 EDWARD MALAGON

5 was called as a witness on behalf of the Citizens of  
6 the State of Florida and, having been previously duly  
7 sworn, testified as follows:

8 WITNESS MALAGON: Good evening. My name is  
9 Ed Malagon, I'm from 2107 Fox Run in Lynn Haven.

10 And my comment is: In the spirit of providing  
11 excellent, affordable service, as this gentleman from  
12 Southern Bell spoke, has there been any consideration  
13 given to expanding local service without having to pay  
14 for phone calls by the minute? I propose the monthly  
15 rate be reduced or remain as it is and the expanded  
16 service be enacted. Thank you.

17 COMMISSIONER EASLEY: Thank you very much. I  
18 appreciate it.

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20 COMMISSIONER EASLEY: Richard Hall.

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RICHARD HALL

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

MR. HALL: My name is Richard Hall, I live at 9502-A Clarence Street in Panama City Beach. And I'm probably the poorest man in Bay County. And when I looked at this thing that they were going to start charging by the minute, and knowing that I spend from five to six hours a day on the telephone, it scared me to death.

Now, I don't know that this is going to be any cheaper or more expensive, but I would like for somebody to sit down and tell me exactly how much it's going to cost me using my telephone from five to six hours a day. And I would like to know which is cheaper. I want the cheapest way of doing it; and I don't know and I can't find out, nobody seems to be able to tell me. So I would hope to be able to find out about this thing sometime.

And one thing that really helped me is when they sent this little paper out they told us what each area, like Panama City Beach and Lynn Haven and Panama City, was paying for their rate. And I think they were in A category 5, if I'm not mistaken. Seems like all

1 the towns surrounding this area are Category 5, which  
2 has a certain monthly rate, flat rate.

3 And out at Panama City Beach, we can only  
4 call Panama City and Lynn Haven; but they pay the same  
5 amount of money in Panama City and they can call Panama  
6 City Beach, Lynn Haven, Youngstown-Fountain and Tyndall  
7 Air Force Base. And every time I call Tyndall or out  
8 that way, I have to pay long distance rates; and as the  
9 crow flies, I'm closer to Tyndall than Panama City is.

10 I notice Lynn Haven suffers from the same  
11 problem, they don't have access to all the places that  
12 Panama City does, yet everyone pays the same rate.

13 And I've asked about this in the past and  
14 I've always been told that the process is going on  
15 right now -- or then -- to rectify this situation where  
16 Bay County would be one rate for everyone, you could  
17 call anywhere in Bay County -- and that includes Mexico  
18 Beach.

19 Now, I have been told several times this is  
20 in the workings. I don't know whether this rate thing,  
21 2 cents a minute or whatever it is, is what the end  
22 result is; but I do want to bring to your attention  
23 that we're getting short-changed and some of them like  
24 Lynn Haven and Panama City Beach are getting  
25 short-changed and we're paying the same rate as

1 everyone else.

2 Thank you very much.

3 COMMISSIONER EASLEY: Thank you, sir. For  
4 your information, Mr. Hall, this gentleman sitting  
5 right here with the beard, at the next break or right  
6 afterwards, you might get with him and ask him some  
7 questions about the routes. He's with the Public  
8 Service Commission and he knows more about routes than  
9 anybody in the state.

10 MR. HALL: Okay, appreciate that.

11 - - - - -

12 TOM DAVIS

13 was called as a witness on behalf of the Citizens of  
14 the State of Florida and, having been previously duly  
15 sworn, testified as follows:

16 COMMISSIONER EASLEY: What is your name,  
17 please.

18 WITNESS DAVIS: Tom Davis.

19 COMMISSIONER EASLEY: Okay, Mr. Davis.

20 WITNESS DAVIS: Am I next?

21 COMMISSIONER EASLEY: Yes, sir.

22 WITNESS DAVIS: Good.

23 COMMISSIONER EASLEY: I asked -- I knew you  
24 had gone back to sign up and somehow I got you on the  
25 list of "May wish to speak."

1 WITNESS DAVIS: I do wish to speak.

2 COMMISSIONER EASLEY: I knew you did.

3 WITNESS DAVIS: My name is Tom Davis. I live  
4 at 3515 West 19th Street in Panama City. I also have a  
5 small place out in the country just south of Bear  
6 Creek.

7 I have been talking to Southern Bell for  
8 several years, going back five or six years, about this  
9 county-wide toll-free calling and myself in particular  
10 because I had a 722 number and I had to pay long  
11 distance to talk to the Beach or talk to Tyndall; it  
12 used to be as long as distance to call Lynn Haven.

13 I was told as soon as they got the fiber  
14 optics and electronic switching everything was going to  
15 be taken care of. That was five or six years ago; and  
16 if I'm not mistaken, all that stuff has been installed.  
17 I asked Southern Bell for some statistics and this is  
18 their numbers. I asked for the total number of lines  
19 in Bay County, and then I asked for it to be broken  
20 down by Lynn Haven, Panama City Beach and the  
21 Youngstown-Fountain area. Total of 62,950 lines.  
22 Okay, homes, some of the homes have more than one phone  
23 but this is per home. Lynn Haven has 7,650; Panama  
24 City Beach, 18,220; Youngstown-Fountain 2,195.

25 COMMISSIONER EASLEY: Mr. Davis, you need to



1 slow down just a little bit for the reporter.

2 WITNESS DAVIS: I'm sorry about that, I will.

3 Are you caught up?

4 THE REPORTER: Yes, sir.

5 WITNESS DAVIS: For the information of people  
6 who don't like to fool with numbers, that totals up to  
7 44.5% of the people in Bay County that can't call  
8 anywhere in Bay County without it being long distance.  
9 Now, that is totally ridiculous. This is a small  
10 county, this is a rural county, this is a low income  
11 county. You're taking money out of people's pockets  
12 and it's not fair by any stretch of the imagination.

13 The gentleman was talking about stimulating  
14 the economy. What better way to stimulate the economy  
15 than to put more money in people's pockets and quit  
16 giving it to the companies?

17 I would love to get 13.5% guaranteed return  
18 on my investments. I would loving to do that, I  
19 guarantee you. I'm glad you brought that up, that's an  
20 exorbitant amount.

21 I have these numbers that were sent to me by  
22 a young lady; I hope she doesn't get in trouble for  
23 sending me the information, she said it was perfectly  
24 legal. By the way, these numbers do not include Mexico  
25 Beach and Tyndall. She didn't have their information.

1 So if you had Mexico Beach and Tyndall on here, you're  
2 talking about over 50% of the people in Bay County have  
3 to pay to call somewhere else in the County.

4           Gentlemen, it's not right. I can't see by  
5 any stretch of the imagination where this could be  
6 considered fair and equitable to the customers in Bay  
7 County.

8           The local calling service or expanded  
9 optional calling service is nothing but smoke and  
10 mirrors. I hate to call it that, but that's what it  
11 appears to me to be. And I appreciate your time.  
12 Thank you very much.

13           COMMISSIONER EASLEY: Thank you very much,  
14 Mr. Davis. (Applause)

15           now, I understand that we have Mr. Hartley,  
16 Mr. Or Mrs. McClenny and Mrs. Pontzer who may wish to  
17 testify. Have you decided whether you wish to testify  
18 or not? Is there anyone else who wishes to testify at  
19 this time?

20           Why don't we take about a ten-minute break.  
21 We will come back and see if anyone else wishes to be  
22 heard tonight. Thank you.

23           (Brief recess.)

24

25           COMMISSIONER EASLEY: We'll reconvene the



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

4 I, SYDNEY C. SILVA, CSR, RPR, Official  
5 Commission Reporter,

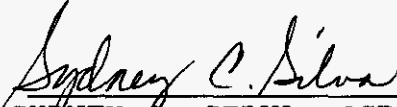
6 DO HEREBY CERTIFY that the Panama City Service  
7 Hearing in the captioned matter, Docket No.920260-TL, was  
8 heard by the Florida Public Service Commissioner at the  
9 time and place herein stated; it is further

10 CERTIFIED that I reported in shorthand the  
11 proceedings held at such time and place; that the same has  
12 been transcribed under my direct supervision, and that  
13 this transcript, consisting of 36 pages, inclusive,  
14 constitutes a true and accurate transcription of my notes  
15 of said proceedings; it is further

16 CERTIFIED that I am neither of counsel nor  
17 related to the parties in said cause and have no interest,  
18 financial or otherwise, in the outcome of this docket.

19 IN WITNESS WHEREOF, I have hereunto set my hand  
20 at Tallahassee, Leon County, Florida, this 11th day of  
21 August, A.D., 1992.

22  
23  
24  
25

  
SYDNEY C. SILVA, CSR, RPR  
FPSC Bureau of Reporting  
Fletcher Building, Room 104  
101 East Gaines Street  
Tallahassee, Florida 32399-0871  
Telephone No. (904) 488-5981

# Florida Freedom Newspapers, Inc.

PUBLISHERS OF THE NEWS HERALD  
Panama City, Bay County, Florida  
Published Daily

State of Florida }  
County of Bay }

Before the undersigned authority appeared \_\_\_\_\_

KAREN TAGGART \_\_\_\_\_, who on oath says that (s)he

is BUSINESS MANAGER \_\_\_\_\_ of the News Herald, a daily

newspaper published at Panama City, in Bay County, Florida; that the attached copy

of advertisement, being a LEGAL NOTICE \_\_\_\_\_

in the matter of NOTICE OF PUBLIC HEARING \_\_\_\_\_

DOCKET #920260-TL \_\_\_\_\_

in the BAY COUNTY \_\_\_\_\_

Court, was published in said newspaper in the issues of \_\_\_\_\_

August 4, 1992 \_\_\_\_\_

Affiant further says that the News Herald is a direct successor of the Panama City News and that this publication, together with its direct predecessor, has been continuously published in said Bay County, Florida, each day (except that the predecessor, Panama City News, was not published on Sundays), and that this publication together with its said predecessor, has been entered as a second class mail matter at the post office in Panama City in said Bay County, Florida, for a period of one year next preceding the first publication of the attached copy of the advertisement, all in accordance with the provisions of section 49.03, Florida Statutes; and affiant further says that (s)he 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.

*Karen Taggart*

Sworn to and subscribed before me this 5th \_\_\_\_\_ day of

August \_\_\_\_\_ A. D., 1992

*Lorraine B. Grimes*

Notary Public, State of Florida at Large  
LORRAINE B. GRIMES  
Notary Public State of Florida  
My Commission Expires August 25, 1992

Commission # FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 920260-TL EXHIBIT NO. 2  
COMPANY: So Bell  
WITNESS: \_\_\_\_\_  
DATE: 8/6/92

## 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 rate stabilization plan and to consider Southern Bell's proposed price regulation plan and its related rate restructuring, including the proposed optional Expanded Local Service Plan, a reduction in IntraLATA access charges and certain custom calling feature rates, a restructuring of service order charges and implementation of a Lifeline Plan.

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

Thursday, August 6, 1992 -  
6:00PM C.S.T.  
Holiday Inn - Mall  
Mall Room  
2001 North Cove Blvd.  
Panama City, 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 Capital, Tallahassee, Florida 32399-1300.

by Karen Taggart, Business Manager, who is personally known to me

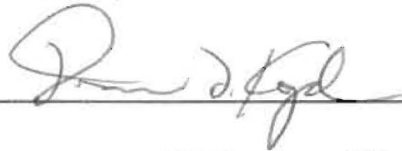
# Florida Freedom Newspapers, Inc.

PUBLISHERS OF THE NEWS HERALD  
Panama City, Bay County, Florida  
Published Daily

## State of Florida County of Bay

Before the undersigned authority appeared \_\_\_\_\_  
DENNIS KOZAK \_\_\_\_\_, who on oath says that (s)he  
is \_\_\_\_\_ ADVERTISING DIRECTOR \_\_\_\_\_ of the News Herald, a daily  
newspaper published at Panama City, in Bay County, Florida; that the attached copy  
of advertisement, being a \_\_\_\_\_ LEGAL ADVERTISEMENT \_\_\_\_\_  
in the matter of \_\_\_\_\_ NOTICE OF PUBLIC HEARING \_\_\_\_\_  
\_\_\_\_\_ FLORIDA PUBLIC SERVICE COMMISSION \_\_\_\_\_  
in the \_\_\_\_\_ BAY COUNTY \_\_\_\_\_  
Court, was published in said newspaper in the issues of \_\_\_\_\_ JULY 28, 1992 \_\_\_\_\_

Affiant further says that the News Herald is a direct successor of the Panama City News and that this publication, together with its direct predecessor, has been continuously published in said Bay County, Florida, each day (except that the predecessor, Panama City News, was not published on Sundays), and that this publication together with its said predecessor, has been entered as a second class mail matter at the post office in Panama City in said Bay County, Florida, for a period of one year next preceding the first publication of the attached copy of the advertisement, all in accordance with the provisions of section 49.03, Florida Statutes; and affiant further says that (s)he 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.



State of Florida  
County of Bay  
Sworn to and subscribed before me this \_\_\_\_\_ 28th \_\_\_\_\_ day of \_\_\_\_\_ JULY \_\_\_\_\_  
A. D., 1992 by DENNIS KOZAK \_\_\_\_\_, Advertising Director of The News Herald. He is personally known to me or has produced \_\_\_\_\_  
as identification and did take an oath.



Notary Public, State of Florida at Large

LORRAINE B. GRIMES  
Notary Public State of Florida  
My Commission Expires August 25, 1992  
Commission # AA 599261

3979  
LEGAL NOTICE

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July 28, 1992