

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

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In the matter of :

Comprehensive Review of the Revenue Requirements and Rate Stabilization Plan of SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY : DOCKET NO. 920260-TL

Show Cause Proceeding Against SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY for Misbilling Customers. : DOCKET NO. 900960-TL

Petition on behalf of Citizens of the State of Florida to Initiate Investigation into Integrity of SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY's Repair Service Activities and Reports. : DOCKET NO. 910163-TL

Investigation into SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY's Compliance with Rule 25-4.110(2), F.A.C, Rebate. : DOCKET NO. 910727-TL

PROCEEDING: STATUS CONFERENCE

BEFORE: COMMISSIONER SUSAN F. CLARK
Prehearing Officer

DATE: Monday, June 21, 1993

TIME: Commenced at 1:05 p.m
Concluded at 1:18 p.m.

PLACE: FPSC Hearing Room 122
Fletcher Building
101 East Gaines Street
Tallahassee, Florida

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

DOCUMENT NUMBER-DATE

06781 JUN 23 93

FPSC RECORDS/REPORTING

1 APPEARANCES:

2 NANCY WHITE, 675 Peachtree Street, Northwest,
3 Suite 4300, Atlanta, Georgia 30375, Telephone No. (404)
4 529-6361, on behalf of BellSouth Telecommunications,
5 Inc., d/b/a Southern Bell Telephone and Telegraph
6 Company.

7 MICHAEL B. TWOMEY, Assistant Attorney
8 General, Department of Legal Affairs, The Capitol, Room
9 1603, Tallahassee, Florida 32399-1050, Telephone No.
10 (904) 488-8253, on behalf of the Attorney General of
11 the State of Florida.

12 MICHAEL W. TYE, 106 East College Avenue,
13 Suite 1410, Tallahassee, Florida 32301, Telephone No.
14 (904) 425-6360, on behalf of AT&T Communications of the
15 Southern States, Inc.

16 CHARLES J. BECK, Office of Public Counsel,
17 c/o The Florida Legislature, 111 West Madison Street,
18 Room 812, Tallahassee, Florida 32399-1400, Telephone
19 No. (904) 488-9330, on behalf of the Citizens of the
20 State of Florida.

21 ANGELA B. GREEN and JEAN WILSON, FPSC
22 Division of Legal Services, 101 East Gaines Street,
23 Tallahassee, Florida 32399-0863, Telephone No. (904)
24 487-2740, appearing on behalf of the Commission Staff.

25

1 ALSO PRESENT:

2 TIM DEVLIN, Director of Auditing & Financial
3 Analysis, Florida Public Service Commission

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MOTIONS

PAGE NO.

PUBLIC COUNSEL'S FIFTH MOTION TO COMPEL

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CERTIFICATE OF REPORTER

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P R O C E E D I N G S

(Hearing convened at 1:05 p.m.)

COMMISSIONER CLARK: I call the status conference to order. Let's go ahead and take appearances.

MS. GREEN: Pursuant to notice, this time and place was set for a status conference in Dockets 920260, 900960, 910163 and 910727.

COMMISSIONER CLARK: Thank you. Now we'll take appearances.

MS. WHITE: Nancy White, Southern Bell Telephone Company, 675 West Peachtree Street, Atlanta, Georgia.

MR. BECK: Charles Beck, Office of the Public Counsel, appearing on behalf of Florida Citizens.

MR. TYE: Michael W. Tye, 106 East College Avenue, Suite 1410, Tallahassee, Florida, 32301, appearing on behalf of AT&T Communications of the Southern States, Inc.

MS. GREEN: Angela Green and Jean Wilson, Florida Public Service Commission, on behalf of the Commission Staff.

COMMISSIONER CLARK: Mr. Twomey, do you want to make an appearance?

MR. TWOMEY: Yes, Commissioner. Mike Twomey, Office of the Attorney General.

COMMISSIONER CLARK: Okay. What's first on

1 our agenda?

2 MS. GREEN: We had a new item that was
3 pending for a decision from you today, it's the Office
4 of Public Counsel's Fifth Motion to Compel, which was
5 filed June 4, '93, and the response thereto was filed
6 by Southern Bell on June 11. This relates to the 34th
7 set of production of documents, specifically Requests
8 Nos. 478, 479, 480 and 481. It's my understanding that
9 the parties spoke prior to this meeting and have been
10 able to resolve the matter.

11 COMMISSIONER CLARK: You have?

12 MR. BECK: Yes, Commissioner.

13 COMMISSIONER CLARK: Wonderful for you.

14 MR. BECK: I spoke with counsel for Southern
15 Bell and I've agreed to limit the request only to those
16 that relate directly or indirectly to sales, repair or
17 installation activities in Florida. And Southern Bell
18 has agreed that they would produce those.

19 MS. WHITE: Yes, we have agreed to that.

20 COMMISSIONER CLARK: Okay. Am I not going to
21 see any of the objections based on the breadth of the
22 documents?

23 MS. WHITE: Yes, ma'am. I have told Public
24 Counsel that the reason for the basis for our objection
25 and the fact that I will make that more than clear in

1 the up-coming responses to production of documents.

2 COMMISSIONER CLARK: Thank you. So what do I
3 need to do, show issue an order showing it withdrawn?

4 MR. BECK: I'll be glad to withdraw it. I'll
5 file a pleading, if you'd like.

6 COMMISSIONER CLARK: I would like to do that
7 so that we have some record of the action taken so that
8 we don't mistakenly think it's pending. I can tell you
9 that I do know the 15th Motion to Compel is still
10 pending. I did look at the documents in camera a week
11 ago last Friday and that order will be forthcoming.

12 Are there any other motions to compel
13 outstanding besides the 15th? None that you recall?

14 MR. BECK: No.

15 COMMISSIONER CLARK: Okay. We had a
16 discussion last conference about the need to index
17 responses and there was some -- Ms. Richardson was
18 concerned that she was just delivered boxes of
19 documents and at that time I asked you to go over to
20 her office with her. Has that been resolved?

21 MS. WHITE: Yes. The one that she had in
22 mind that we discussed has been resolved to her
23 satisfaction or is in the process of being resolved to
24 her satisfaction, as far as I'm aware.

25 COMMISSIONER CLARK: Okay. All right. And

1 you're encountering no similar problems at this time?

2 MR. BECK: Not that I'm aware of.

3 COMMISSIONER CLARK: Okay. There was also
4 some requests for discovery information that Southern
5 Bell had provided to the grand jury and the Attorney
6 General. And the Attorney General had delivered that
7 information. Is there any outstanding problem with
8 respect to that information?

9 MR. BECK: No. Southern Bell has agreed to
10 produce, I think they said, it's approximately 150
11 boxes of documents in Miami. Tentatively, we're
12 thinking of doing it at the end of next week.

13 MS. WHITE: The 1st and the 2nd of July.
14 I've spoken with Ms. Richardson about that and that's
15 resolved as far as I'm aware.

16 COMMISSIONER CLARK: Great. Now, the last
17 thing I had on my list was the audit response time.
18 Where is Mr. Devlin?

19 UNIDENTIFIED SPEAKER: I'm not sure.

20 COMMISSIONER CLARK: I need to know whether the
21 Staff is satisfied with the response time that they're
22 getting.

23 MS. GREEN: I can represent -- I had briefly
24 some discussions with Mr. Devlin, I certainly cannot
25 put it in the level of detail that he could -- that

1 there have been continuing problems with BellSouth's
2 responses to data requests. And it's my understanding
3 that there has been delays in the time it takes to get
4 a response as well as key information being missing in
5 some of the responses. But they seemed to be couched
6 in terms that would indicate that the Company is
7 working on it, so --

8 COMMISSIONER CLARK: I've also looked over a
9 memo from Tim to Tracy Hatch and I notice that a good
10 deal of them were documenting problems that existed
11 prior to the last status conference.

12 MS. GREEN: That's true, you're right. The
13 bulk of these are prior to your comments at the last
14 status conference.

15 COMMISSIONER CLARK: Okay. I did want to ask
16 a question as to who is Karen Kaetz, is that her name?

17 MS. WHITE: Yes, ma'am. Karen Kaetz, as far
18 as I'm aware, she is the person in Birmingham who is
19 responsible for getting the requests out to the
20 appropriate parties and gathering the answers.

21 COMMISSIONER CLARK: Okay. She's
22 coordinating everything?

23 MS. WHITE: That's correct.

24 COMMISSIONER CLARK: Okay. Tim, I wanted an
25 update on how you were doing in terms of getting

1 responses to audit requests. I looked through this
2 memo from you to Tracy and it was my feeling that these
3 things were relative to issues which occurred prior to
4 the last status conference. My question is, has there
5 been an improvement in the response time and do you
6 think I need to do anything at this point?

7 MR. DEVLIN: Okay. What I did with my audit
8 team -- and we're talking about 15 auditors -- I
9 instructed them to let me know in writing if they ran
10 into any difficulty with response time, incomplete
11 responses, maybe erroneous responses, et cetera. So it
12 gives me a track record; and that's really what I
13 passed on to Tracy, our memos, various memos from
14 various auditors.

15 I think we do have a problem with response
16 time. As I recall, the order required a five-day
17 turnaround. I interpreted that to mean five working
18 days or seven regular calendar days. What we're
19 finding in many instances is the Company will come back
20 in five days and say, "Well, we need 30 days or 45 days
21 to respond and we'll give a status report or respond
22 within 30 days or 45 days."

23 So it is a problem. It's a difficult audit
24 process because we're in different cities, et cetera,
25 so I'm a little bit sympathetic. But at the same time,

1 reading these memos and some of the information that
2 we're asking for should be readily accessible. I mean,
3 it's documents-on-the-third-shelf type stuff. We're
4 getting responses like, "We'll give you a status report
5 in 30 days."

6 That has two ramifications. One, it
7 basically delays the process and we won't be able to
8 cover as much as we want to because of delay. And the
9 other implication is -- and this is an opportunity, not an
10 accusation, for the Company to alter or purge or what have
11 you information that we ask for when they maintain it for
12 30 days or 45 days.

13 Auditors are used to direct access, we want
14 that voucher now because we know where it's at. The
15 Company should have all the opportunity in the world to
16 log it out or make copies so they can control their
17 documents, but they shouldn't have the opportunity to
18 hold on to them for 30 days or 45 days.

19 I guess what I'm getting to, if there's some
20 way we could articulate a requirement, an audit
21 condition, for direct access to the information that
22 we're asking for relative to its availability, if you
23 understand what I'm saying. In some cases it's available
24 immediately because the document is there in Atlanta; in
25 other cases, the Company may have to chase it down and

1 it's understandable it would take a little more time.

2 So if there's some way we could articulate
3 that as an audit condition or standard, that would be
4 helpful. Then I have something and my auditors have
5 something they can point to as, "This is reasonable," and,
6 "This isn't reasonable." Because right now, we really
7 don't have the standards.

8 COMMISSIONER CLARK: I did notice on some of
9 these it indicated that either the document would be
10 given or a status report would be given in 30 days.
11 That's unsatisfactory. You can, if you will carry that
12 back to Ms. Kaetz, that it's my view --

13 MS. WHITE: Yes, ma'am.

14 COMMISSIONER CLARK: -- that within the five
15 days, they have to produce the document or be explicit
16 as to why it cannot be produced in five days, and what
17 a reasonable amount of time will take to produce it.
18 And I want to see those audit reports or requests that
19 are over five days. Okay?

20 MR. DEVLIN: Over five days? Okay.

21 COMMISSIONER CLARK: Is there any problem
22 with getting reimbursement for the auditors' expenses?
23 I noted that was a problem at one time.

24 MR. DEVLIN: I think that's been resolved.

25 COMMISSIONER CLARK: Okay. I think that

1 wraps up everything we needed to take care of. The
2 15th Motion to Compel, it should be out this week. I
3 understand the Attorney General asked for two extra
4 weeks in the appeal process?

5 MR. TWOMEY: I think that's correct,
6 Commissioner.

7 COMMISSIONER CLARK: Okay. I assume that was
8 granted by the court?

9 MR. TWOMEY: I think it was. Is that right?

10 MS. WHITE: It was stipulated.

11 MR. BECK: Yes.

12 COMMISSIONER CLARK: Do you anticipate needing
13 to ask for further time on those things? I mean, I would
14 hope that we could expedite those appellate proceedings.

15 MR. TWOMEY: Commissioner Clark, a short
16 answer is I don't know, I'm not handling that. I can
17 certainly find out for you. I don't think so.

18 COMMISSIONER CLARK: Okay. Who's handling it?

19 MR. TWOMEY: Jason Vail.

20 COMMISSIONER CLARK: A law firm is handling it?

21 MR. TWOMEY: No, no, one of the --

22 COMMISSIONER CLARK: I'm sorry, I thought you
23 said Jason and Vail.

24 MR. TWOMEY: No, Jason Vail. He's one of the
25 other many attorneys in the office.

1 COMMISSIONER CLARK: Okay. Well, frankly, I
2 have to tell you that I was dismayed that the Attorney
3 General had to ask for an extra two weeks. I mean, I
4 thought we had all concluded that this was going to be
5 an expedited process in order to get that information
6 to the parties.

7 MR. TWOMEY: Yes.

8 COMMISSIONER CLARK: And I would hope that
9 that doesn't happen again. I don't have control over
10 it but --

11 MR. TWOMEY: I'll pass that along.

12 COMMISSIONER CLARK: Okay. Thank you. Is
13 there anything else we need to cover today?

14 MR. BECK: Commissioner, just as a point of
15 information, there's now three appeals at the Supreme
16 Court, two involving this, and the third appeal the
17 NARUC order, they've asked that that not be
18 consolidated because they're not related issues. So
19 that may help the other two move along.

20 COMMISSIONER CLARK: Okay. I don't think I
21 have any disagreement that they probably should be
22 handled separately.

23 Anything else?

24 MS. GREEN: I'm not aware, unless there's a
25 party that has something? No, ma'am.

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COMMISSIONER CLARK: Okay, thank you very much.

MS. GREEN: Thank you.

(Thereupon, hearing concluded at 1:18 p.m.)

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

CERTIFICATE OF REPORTER

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

6 DO HEREBY CERTIFY that the status conference
7 in this cause, Docket Nos. 920260, 900160, 910163 and
8 910727, was heard by the Florida Public Service
9 Commission at the time and place herein stated; it is
10 further

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

16 DATED this 23rd day of June, A. D., 1993.

17 *Sydney C. Silva*
18 _____
19 SYDNEY C. SILVA, CSR, RPR
20 Official Commission Reporter
21 (904) 488-5981

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

25 The foregoing certificate was acknowledged
before me this 23rd day of June, 1993, by SYDNEY C.
SILVA, who is personally known to me.

26 *Evelyn L. Borschel*
27 _____
28 EVELYN L. BORSCHEL
29 Notary Public - State of Florida



EVELYN L. BORSCHEL
MY COMMISSION # CC289265 EXPIRES
May 25, 1997
BONDED THRU TROY FAIR INSURANCE, INC.