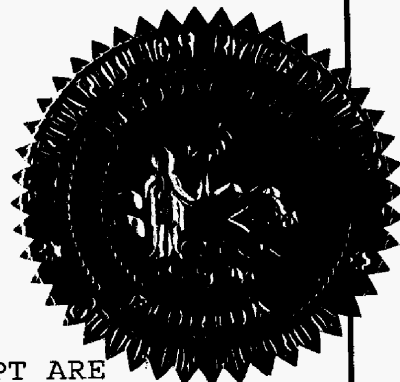


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 050374-TL

In the Matter of:

PETITION FOR APPROVAL OF STORM COST
RECOVERY SURCHARGE, AND STIPULATION
WITH OFFICE OF PUBLIC COUNSEL, BY
SPRINT-FLORIDA, INCORPORATED.



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PROCEEDINGS: AGENDA CONFERENCE
ITEM NO. 6

BEFORE: CHAIRMAN BRAULIO L. BAEZ
COMMISSIONER J. TERRY DEASON
COMMISSIONER RUDOLPH "RUDY" BRADLEY
COMMISSIONER LISA POLAK EDGAR

DATE: Tuesday, July 5, 2005

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: LINDA BOLES, RPR, CRR
Official FPSC Hearings Reporter
(850) 413-6734

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1 APPEARANCES:

2 CHARLES J. REHWINKEL, ESQUIRE, and SUSAN MASTERTON,
3 ESQUIRE, representing Sprint-Florida, Incorporated.

4 HAROLD McLEAN, PUBLIC COUNSEL, CHARLES J. BECK,
5 ESQUIRE, and PATRICIA A. CHRISTENSEN, ESQUIRE, representing the
6 Office of Public Counsel.

7 MICHAEL TWOMEY, ESQUIRE, representing Joanna
8 Southerland, a Sprint customer.

9 RICHARD D. MELSON, ESQUIRE, and ADAM TEITZMAN,
10 ESQUIRE, and JOHN MANN, representing the Florida Public Service
11 Commission Staff.

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P R O C E E D I N G S

1
2 MR. MANN: Good morning, Commissioners. My name is
3 John Mann on behalf of Commission staff.

4 Commissioners, Item 6 addresses Sprint's petition for
5 approval of a storm cost recovery surcharge and stipulation
6 with the Office of Public Counsel. This petition was filed
7 pursuant to Section 364.051(4), Florida Statutes, which states
8 that upon a compelling showing of changed circumstances, any
9 local exchange telecommunications company may petition the
10 Commission for a rate increase. The use of this section of the
11 statute is a case of first impression since this is the first
12 time this section will be used by a price cap company.

13 Sprint maintains that the extraordinary expenses
14 incurred due to Hurricanes Charley, Frances, Jeanne
15 and Ivan constitute a compelling showing of changed
16 circumstance.

17 Staff would suggest that this docket be handled in
18 two phases. The first phase which staff is addressing today
19 would, by PAA action, set a maximum cap, a ceiling, as it were,
20 on the amount of recovery which could potentially be recovered
21 by Sprint for storm damages incurred during that 2004 hurricane
22 season.

23 The second phase would address three issues: Whether a
24 compelling showing of substantial change in circumstance has
25 occurred; how much, if any, recovery Sprint should be allowed

1 for storm damages; and, lastly, if recovery is allowed, how
2 these costs should be recovered.

3 Issue 1 of today's recommendation addresses the
4 number of Sprint access lines which should be used if recovery
5 is allowed. Issue 2 addresses carrying costs and interest
6 charges on the amount of storm costs. And Issue 3, which we
7 think is pivotal, provides five options for Commissioners'
8 consideration in determining the maximum cap on the amount of
9 recovery which could potentially be recovered by Sprint.

10 In the interest of efficiency, staff would recommend
11 that we address issues -- Issue 3 first, since a vote on this
12 issue will have an effect on the other two. Staff is prepared
13 to answer any and all questions that you may have. I believe
14 both Sprint and the Office of Public Counsel and I see
15 Mr. Twomey are here, I suppose, to address the Commission.

16 CHAIRMAN BAEZ: Briefly, do any of the parties have a
17 problem with us going, going ahead with Issue 3 first?

18 MR. REHWINKEL: We would support that.

19 CHAIRMAN BAEZ: All right. Very well.

20 Commissioners, on staff's good counsel we'll be discussing
21 Issue 3, unless you all have any objections.

22 Very well. Mr. Rehwinkel.

23 MR. REHWINKEL: Yes. Thank you, Mr. Chairman. My
24 name is Charles Rehwinkel. Here with me is Susan Masterton on
25 behalf of Sprint Florida, Incorporated.

1 Commissioners, Sprint strongly supports the
2 alternative recommendation, Option 2 on Issue 3. I have also
3 passed out a letter dated today that represents a written
4 commitment of something that Sprint orally committed to during
5 the process leading up to this recommendation that trues up the
6 access line count, would commit to true-up the access line
7 count only if it is in favor of the customers; i.e., represents
8 a lower amount of the surcharge or a shorter recovery period.
9 We would also commit to true-up the cost of money if such a
10 process was adopted for the recovery period, if that was the
11 Commission's desire. We think that that can be worked out
12 sometime in the 12- to 18-month period if recovery is, is
13 permitted.

14 We think this true-up commitment represents a
15 significant benefit to the customers that the staff asked for
16 and received as a part of the process. This is not part of the
17 stipulation. It is really a matter that is poststipulation and
18 entirely within the purview of the Commission to make a ruling
19 on.

20 In urging the Commission to support alternative on
21 Issue 3, Option 2, Sprint asserts that this does four things at
22 least. It preserves the stipulation and, importantly, gives
23 the strongest signal to companies such as Sprint, and
24 alternative -- that stipulations and alternative dispute
25 resolution generally are favored and encouraged.

1 The stipulation protects the customers by the
2 true-up. The stipulation and the acceptance of the letter that
3 we have given today protects the customers by truing up access
4 lines and the cost of money during the recovery period for the
5 benefit of the customers. The stipulation is fair in the
6 bottom line. I hope I don't have to go into that. But I think
7 all in all adjustments that could be made would effectively
8 still yield the same result as we agreed to with the Office of
9 Public Counsel.

10 And, finally, the stipulation and acceptance of the
11 stipulation represents an efficient use of scarce taxpayer
12 resources and is good government.

13 We appreciate the opportunity that we've had to work
14 out this issue with staff and to facilitate their understanding
15 of the stipulation. They have been good to work with in the
16 process. But most importantly I would like to thank the Public
17 Counsel for his willingness to agree to avoid the costly
18 litigation over the potential amount of the recoverable storm
19 costs. Both sides sought to avoid the expense of litigation
20 when we saw that based on the Commission's approval of the
21 Gulf Power stipulation that we could reach agreement on the
22 dollar amount and save the issue about the application of the
23 statute for briefing. We think all in all the stipulation and
24 Option 2 and the alternative on Issue 3 represents the best
25 approach in this docket.

1 I'm here to answer any questions that you might have
2 on this process. Thank you.

3 CHAIRMAN BAEZ: Thank you, Mr. Rehwinkel.

4 Mr. Beck.

5 MR. BECK: Thank you, Chairman Baez. Charlie Beck,
6 also Patty Christensen and Harold McLean of the Office of
7 Public Counsel.

8 Commissioners, our office is opposed to Sprint
9 recovering any hurricane surcharge, but our opposition is not
10 because they didn't incur significant costs from the 2004
11 hurricane season. Our opposition is based on the election of
12 price cap regulation by Sprint, that by doing so they had the
13 opportunity to get certain rewards, and there are certain risks
14 that are associated with that. And we believe that, like a
15 more competitive business, that price cap regulation
16 contemplates that they should not be allowed to impose a
17 surcharge on customers, and we're prepared to brief that to the
18 Commission.

19 Nonetheless, we saw benefit in agreeing with Sprint
20 to what we could agree, that is, the amount of costs that
21 they've incurred, while disagreeing about the legal impact.
22 And we believe that Sprint stepped up to the plate by their
23 proposal and the agreement that we reached.

24 Commissioners, on Page 16 of the staff recommendation
25 there's part of the agreement, and in there Sprint sets forth

1 certain costs that they've excluded from their request. And
2 it's a lengthy list. It's on Paragraph 19 of the agreement.
3 You know, they've excluded normal capital project costs,
4 they've excluded regular time labor, budgeted overtime labor,
5 contractor budget levels, they've excluded revenue credits and
6 uncollectibles and lost revenues. They're seeking recovery
7 only of capital costs to the extent that the costs of
8 reconstruction exceed normal material and labor costs, and the
9 list goes on.

10 Commissioners, I think their -- what they have agreed
11 to is much more limited and much more narrow than other
12 requests that the Commission has seen come before it.

13 Every agreement has some give and take, but we think
14 that the things that Sprint stepped up to the plate with exceed
15 anything that they got back on it, and we believe it's a good
16 agreement for the Commission. And we urge you to, as, as
17 Sprint has said, to approve Option 2 in Issue 3. Thank you.

18 CHAIRMAN BAEZ: Thank you, Mr. Beck.

19 Mr. Twomey.

20 MR. TWOMEY: Mr. Chairman, Mike Twomey. I'm
21 appearing on behalf of Joanna Southerland, who is a Sprint
22 customer here in Tallahassee. She has not intervened as a
23 formal party in this case, which I don't think is technically
24 required as of yet inasmuch as this is a PAA, but she will
25 intervene.

1 Ms. Southerland doesn't believe, along with Public
2 Counsel, that Sprint, as a price cap regulated utility,
3 telephone company, should be able to collect surcharges of any
4 kind. And with respect to the, the dollar amount, she would,
5 as of this moment, concur with the primary staff recommendation
6 that the -- on Issue 3.

7 CHAIRMAN BAEZ: Commissioners, questions?

8 Well, I can --

9 COMMISSIONER DEASON: Let me just make sure.

10 Mr. Twomey, your, your -- it's your position that, or your
11 client's position that you're representing here is that the
12 stipulation should not be approved?

13 MR. TWOMEY: Yes, sir. That essentially we're -- the
14 company is asking -- it's price cap regulated. They're asking
15 for a 92, 93 cents per month surcharge for 24 months, which
16 will, if Sprint prevails in the court, will come on top of the
17 larger rebalancing increase, which is, which is just
18 unnecessary. So, yes, sir, the answer is yes.

19 CHAIRMAN BAEZ: Does -- do you -- does your client,
20 does your client agree with or understand the fact that this
21 stipulation doesn't -- is not a final determining --

22 MR. TWOMEY: Yes, sir. Indeed.

23 CHAIRMAN BAEZ: Okay. Commissioner Deason, you had a
24 --

25 COMMISSIONER DEASON: Well, I'm just trying to

1 understand where all the parties are at this point.

2 CHAIRMAN BAEZ: Sure. Yeah.

3 COMMISSIONER DEASON: So, Mr. Twomey, your client
4 then would be taking issue with the dollar amount of -- the
5 dollar amount contained in the stipulation is excessive and
6 that the dollar amount, if there is to be any recovery, I know
7 your position is no recovery, but you're taking issue with both
8 the fact, whether there should be any recovery at all and the
9 dollar amount.

10 MR. TWOMEY: Yes, sir. In fact, in the next issue, I
11 believe it's on Issue 2, that if, that if you were to vote out
12 a, a dollar amount, I think in Issue 2 your alternative
13 staff -- I don't want to get out of order, Mr. Chairman.

14 CHAIRMAN BAEZ: That's okay.

15 MR. TWOMEY: But there is, there is, there is a -- if
16 there had to be a number, there was a reduction suggested by
17 your alternative staff recommendation in 2 that Ms. Southerland
18 would, would concur in. That's the one about, where they
19 discuss the fact that it's price regulated and shouldn't have a
20 carrying charge.

21 COMMISSIONER DEASON: And, Mr. Chairman, the reason
22 I'm trying to understand this is because I think it has bearing
23 as to what the stipulation really represents. And I'm trying,
24 I'm trying to understand myself is that the stipulation is
25 simply a, a maximum amount, assuming that Sprint prevails on

1 the question of changed circumstances and other issues which
2 will be dealt with, that even if they prevail on those issues,
3 that the dollar amount is capped by the stipulation. Is that
4 your understanding as well?

5 MR. TWOMEY: Yes, sir.

6 COMMISSIONER DEASON: So I'm trying to understand why
7 you would oppose that. You would still be free, I think, if it
8 goes to a hearing to, to put evidence that would make it lower
9 even in the cap. But why would you be opposed to a cap? I
10 mean, it seems like it's protecting your client on the upper
11 end, with your client still having the ability to contest
12 issues that the cap, that the actual amount of recovery, if
13 any, should even be lower than the cap.

14 MR. TWOMEY: Maybe I did misunderstand. I understood
15 the stipulation to set the amount, not a cap.

16 COMMISSIONER DEASON: Okay. Well, let me ask staff
17 that.

18 CHAIRMAN BAEZ: Those are, those are parts of my
19 question as well, Commissioner Deason. I just wanted -- first
20 of all, I wanted to ask Mr. Rehwinkel, Mr. Mann set forth a
21 two-phase process and as part of Phase 2 set forth what the
22 questions pertaining to that second phase of the process were.

23 Are you in agreement that those are the questions,
24 that the amount of recovery is a live question, that the form
25 of recovery is still a live question and obviously a legal, the

1 legal question as to whether, whether this constitutes changed
2 circumstances obviously?

3 MR. REHWINKEL: I would agree that the amount is a
4 cap and that if --

5 CHAIRMAN BAEZ: As of Phase 1.

6 MR. REHWINKEL: It is a cap in this sense, is that if
7 as part of the legal and policy arguments that someone can
8 craft an argument that would disallow a portion of the recovery
9 for some reason other than prudence, factual issue about
10 whether the costs were incurred, yes, it is a cap. But it is
11 intended, by stipulation with the Public Counsel's Office, to
12 preclude the litigation of these costs as part of this 120-day
13 process.

14 If there were to be litigation over these costs
15 consistent with the decision in the last two weeks in Progress
16 Energy, there are post-January costs and uncollectibles that
17 would increase the amount recoverable by a significant amount.
18 So if there were to be litigation about that, we would
19 certainly delve into that, that process.

20 But if the PAA is approved and becomes final, the
21 issue will be whether someone can craft an argument that causes
22 the Commission to accept less than the \$30 million, if they
23 even allow the threshold, they allow that the threshold
24 question is met. Does that answer your question?

25 CHAIRMAN BAEZ: Well, you raised a -- you said

1 something there, and I want to, I want to have clear about
2 post-January expenses. Where, where do those fit in here? Are
3 they being, are they being provided for as part of the
4 stipulation -- are they, are they subject to that limitation
5 set forth in the stipulation or are they not?

6 MR. REHWINKEL: Post-January costs are not included
7 at this time. By the global nature of the stipulation we did
8 not put in a true-up provision by agreement with the Public
9 Counsel.

10 But were there to be litigation over the costs, i.e.,
11 a protest of the PAA, those costs would become live. But they
12 are not in here today.

13 CHAIRMAN BAEZ: Okay. If the stipulation takes
14 effect once and for all, then there is arguably some --

15 MR. REHWINKEL: They're foreclosed.

16 CHAIRMAN BAEZ: There are expenses that can be
17 presumed to be out there that are foreclosed from recovery
18 altogether.

19 MR. REHWINKEL: That is correct.

20 CHAIRMAN BAEZ: Is that everybody's understanding as
21 well?

22 MR. BECK: Yes, sir. And that's, that's one of the
23 benefits of the agreement is that they've agreed to stop the
24 collection as of January, even though they've incurred
25 substantial costs past then.

1 CHAIRMAN BAEZ: Okay. Mr. Twomey, you had your
2 microphone on or were you going to say something?

3 MR. TWOMEY: No, sir. I just think, in response to
4 Commissioner Deason's question, effectively what I heard
5 Mr. Rehwinkel say is that the stipulated amount in the
6 agreement is intended to be the amount that's recovered, if, if
7 liability is found ultimately. And that he's saying that if an
8 intervening, additional intervening party could craft some type
9 of a briefing issue as to why the dollar amount should be
10 lower, they would have that avenue available to them, but not
11 a, but not an evidentiary basis.

12 CHAIRMAN BAEZ: Well, now is that, is that --

13 MR. REHWINKEL: Mr. Twomey represented our position
14 accurately, yes.

15 CHAIRMAN BAEZ: Okay.

16 MR. TWOMEY: Yeah. I mean, I'm just saying
17 effectively it may be a cap, but it's the amount they're
18 seeking to recover without being challenged in an evidentiary
19 sense.

20 CHAIRMAN BAEZ: Well, and I don't think, I don't
21 think it's an all or nothing -- I don't think anything in the
22 stipulation that I've seen is an all, makes it an all or
23 nothing proposition, is that -- based on, based on the
24 questions that have been laid out for Phase 2.

25 MR. TWOMEY: Well, Mr. Chairman, the -- I guess what

1 I mean is that the Public Counsel and Sprint have gone to some
2 time and effort, which we appreciate, to reach this settlement.
3 They've arrived at a dollar amount that if liability is found
4 in the second phase would be the amount that would be
5 surcharged to the telephone company's customers.

6 What I heard Mr. Rehwinkel say, and I thought he
7 said, I said it properly, is that the, an intervenor, my
8 client, for example, if she were given intervenor status, could
9 seek to challenge the dollar amount through the process of
10 briefing.

11 CHAIRMAN BAEZ: On grounds, on grounds other than
12 prudence. I mean, I think I heard that, too.

13 MR. TWOMEY: Yes. He said that, too. He said -- so
14 there's a limited array of ways to -- and perhaps more
15 importantly for our purposes it would not be an evidentiary
16 issue, it would be a briefing issue because only briefing is
17 contemplated for Phase 2. That's the only point I wanted to
18 make.

19 CHAIRMAN BAEZ: Okay. All right.

20 COMMISSIONER DEASON: I have a question.

21 CHAIRMAN BAEZ: Go ahead, Commissioner.

22 COMMISSIONER DEASON: This is a PAA, and if we, if we
23 issue a PAA order approving the stipulation and the PAA order
24 is protested, where do we find ourselves at that point?

25 MR. TEITZMAN: At that point we would move into a

1 hearing phase.

2 COMMISSIONER DEASON: Okay. Now there's a 120-day
3 window in which this case has to be processed by statute; is
4 that correct?

5 MR. TEITZMAN: That is correct, Commissioner.

6 CHAIRMAN BAEZ: But the 120 days starts ticking as of
7 the protest?

8 MR. TEITZMAN: The 120 days started upon filing. The
9 close docket issue actually requires a party that protests to
10 file their direct testimony with their protest in recognition
11 of the expediency that's needed.

12 CHAIRMAN BAEZ: And just so everybody, at least just
13 so I know, what day are we in?

14 MR. REHWINKEL: It was filed on May 25th.

15 CHAIRMAN BAEZ: All right.

16 COMMISSIONER DEASON: So we're at Day 41 or so.

17 CHAIRMAN BAEZ: 41. Yeah.

18 MR. CASEY: The critical date on the face of the
19 recommendation is September 22nd.

20 CHAIRMAN BAEZ: Commissioner Bradley, you had a
21 question?

22 COMMISSIONER BRADLEY: I have a question of Mr.
23 Melson, legal counsel. And I'm looking at the letter that we
24 have from Sprint, and the first sentence states that, "Sprint
25 commits that it will true-up the access line forecast that is

1 utilized in the development of the per customer surcharge
2 pursuant to the Proposed Agency Action," I'm sorry, "Agency
3 Action order that results from the Commission's vote on
4 July 5th, 2005."

5 How would you factor this into what has been proposed
6 in terms of the stipulation and the discussions that you've
7 heard this morning?

8 MR. MELSON: I think, as Mr. Rehwinkel said, this
9 really deals with something that goes beyond what was addressed
10 in the four corners of the stipulation.

11 Staff is recommending the use of a particular number
12 of access lines in the calculation of rates in its various
13 options.

14 What this says is that if Sprint actually has more
15 access lines than what have been forecast and, therefore, would
16 tend to overrecover the amount, that it would true-up and come
17 back and collect for a lesser period of time so that it does
18 not collect more than the amount that was contemplated. So it
19 seems to me this is consistent with the stipulation and
20 consistent with the staff recommendations, and it represents
21 something that Sprint agreed to and I think Public Counsel does
22 not object to that came out of discussions amongst all the
23 parties after the stipulation had been filed.

24 Does that answer your question, sir?

25 COMMISSIONER BRADLEY: Yeah. And it would appear to

1 me that what this does is to strengthen the stipulation
2 agreement.

3 MR. MELSON: It's an additional benefit to customers.
4 Yes, sir.

5 COMMISSIONER BRADLEY: Right.

6 COMMISSIONER DEASON: I have a follow-up question.
7 If we, if we approve the stipulation, it's issued as a PAA, the
8 PAA is protested, the stipulation goes away. Even though
9 Public Counsel and Sprint were willing to enter a stipulation,
10 if it gets protested by a third party, does the stipulation go
11 away or are the parties somehow still bound by the stipulation?

12 MR. TEITZMAN: I think at that point the
13 stipulation -- let me look.

14 MR. MELSON: I think the stipulation goes away. The
15 stipulation doesn't specifically talk in terms of a protest,
16 but it says it's contingent upon its approval in its entirety
17 by the Commission in --

18 COMMISSIONER DEASON: I think there's language about
19 a final order of some sort in the stipulation; is that correct?

20 MR. MELSON: Yeah. By an order not subject to
21 further proceedings or judicial review. So actually it does
22 contemplate a protest. I didn't read far enough in the
23 sentence.

24 CHAIRMAN BAEZ: I hate to complicate this, but, sure,
25 why not? Does the stip -- if there's a -- does the petition --

1 is there a petition outside of the stipulation? I mean, is it,
2 do they have independent existence? They do?

3 MR. MELSON: Yes. There is a petition seeking
4 approval of the stipulation and establishment of the 93-cent
5 per month charge over two years.

6 CHAIRMAN BAEZ: So are they separate -- is there a
7 petition for recovery of storm costs based on, based on changed
8 circumstances?

9 MR. MELSON: Yes.

10 CHAIRMAN BAEZ: And then another petition to accept
11 the stipulation? I mean, is that the way we're dealing with
12 it?

13 MR. MELSON: It's all combined in one petition.

14 CHAIRMAN BAEZ: Well, and I guess maybe I don't need
15 to even ask the question. I'm just having trouble saying how
16 if something goes away, not all of it goes away.

17 MR. MELSON: Well, the stipulation basically said
18 within the context of Sprint's petition for cost recovery
19 Public Counsel and Sprint will stipulate to the facts and argue
20 only the legal issues.

21 CHAIRMAN BAEZ: Fair enough.

22 COMMISSIONER DEASON: I have a further question. I
23 know we're addressing Issue 3 at this point, which is the
24 question of the stipulation itself, whether to be approved or
25 not, and there are a couple of other issues that we need to

1 address eventually.

2 I just want to make sure that those other issues,
3 Issues 1 and 2, that there is nothing in those issues which is
4 going to, to violate the section of the stipulation that says
5 that we have to approve the stipulation in its entirety up or
6 down, and that if we modify it, then the stipulation is null
7 and void.

8 MR. MELSON: Commissioner, I think, depending on what
9 option you choose in Issue 3, you really have indirectly
10 resolved Issues 1 and 2 and probably don't need to take them up
11 separately.

12 COMMISSIONER DEASON: So if, for example, if we were
13 to approve alternative recommendation of staff on Issue 3 with
14 Option 2, that pretty much addresses all of the issues,
15 including those in Issues 1 and 2?

16 MR. MELSON: Yes, sir. I think that makes
17 Issues 1 and 2 moot at that point.

18 MR. REHWINKEL: If I could add, Commissioner Deason,
19 I think the letter, the letter that I passed out, coupled -- if
20 you went that way, that would, that would complete the
21 mootness, if you will, of Issue 1 especially. But I think -- I
22 would concur that Issues 1 and 2 become moot if the, if that
23 option is taken and the letter is accepted.

24 COMMISSIONER DEASON: Because within Option 2 it
25 addresses the question of carrying costs already, and then the

1 other outstanding issue concerning line counts or true-up of
2 access lines, you address that by your letter.

3 MR. REHWINKEL: That's correct.

4 CHAIRMAN BAEZ: Procedurally how do we, how do we
5 include the letter as part of -- it could just be on a motion?
6 Yeah. Okay.

7 COMMISSIONER DEASON: And I take it Public Counsel
8 has no objection to the letter. It just provides further
9 protection, does it not?

10 MR. BECK: Yes, sir.

11 CHAIRMAN BAEZ: Commissioners, other questions or a
12 motion?

13 COMMISSIONER DEASON: Mr. Chairman, I move that we
14 approve staff alternative recommendation on Issue 3, with
15 Option 2 being the option that we would adopt.

16 CHAIRMAN BAEZ: And that the letter be accepted as
17 part of that?

18 COMMISSIONER DEASON: And the letter be accepted as
19 part, based upon the indications here at the agenda, that that
20 be adopted into that rec, that --

21 CHAIRMAN BAEZ: The result.

22 COMMISSIONER DEASON: -- that effect, that result.

23 COMMISSIONER BRADLEY: And I second the motion.

24 CHAIRMAN BAEZ: Okay. There is a motion to approve
25 staff's alternative recommendation as found in Option 2, along

1 with acceptance by this Commission of the letter in addition to
2 that.

3 All those in favor, say aye.

4 (Unanimous affirmative vote.)

5 COMMISSIONER DEASON: And I think that addresses
6 Issues 1 and 2.

7 And then Issue 4, obviously the docket has to remain
8 open, so I would move staff on Issue 4.

9 COMMISSIONER BRADLEY: Second.

10 CHAIRMAN BAEZ: Motion and a second on Issue 4. All
11 those in favor, say aye.

12 (Unanimous affirmative vote.)

13 CHAIRMAN BAEZ: And we will not address Issues 1 and
14 2. They are moot.

15 (Agenda Item 6 concluded.)

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1 STATE OF FLORIDA)
2 COUNTY OF LEON) : CERTIFICATE OF REPORTER

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I, LINDA BOLES, RPR, CRR, Official Commission Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorneys or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 7th DAY OF JULY, 2005.

LINDA BOLES, RPR, CRR
FPSC Official Commission Reporter
(850) 413-6734