

Matiida Sanders

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From: Marsha Rule [Marsha@reuphlaw.com]
Sent: Friday, March 31, 2006 11:48 AM
To: Filings@psc.state.fl.us
Subject: New docket: GTC, Inc. petition for hurricane cost recovery
Attachments: GT Com Petition for hurricane cost recovery 03 31 06.pdf

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Filed on behalf of:
GTC, Inc. d/b/a GT Com

by:
Marsha E. Rule, Esq.
Rutledge, Ecenia, Purnell & Hoffman, P.A.
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Tallahassee, FL 32302-0551
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Docket No. _____
Petition for recovery of intrastate costs and expenses relating to repair, restoration and replacement of facilities damaged by Hurricane Dennis by GTC, Inc. d/b/a GT Com

Title of filing:
GTC, Inc.'s Petition for Recovery of Costs Pursuant to Section 364.051(4), Florida Statutes

Total number of pages: 7

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DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

3/31/2006

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March 31, 2006

Ms. Blanca S. Bayo, Director
Division of the Commission Clerk
& Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

By electronic filing only

RE: New docket
Petition for recovery of intrastate costs and expenses relating to repair, restoration and replacement of facilities damaged by Hurricane Dennis by GTC, Inc. d/b/a GT Com

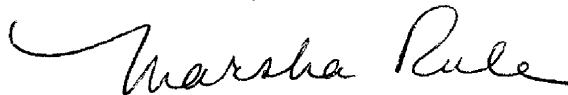
Dear Ms. Bayo:

Enclosed please find the following for filing on behalf of GTC Inc. d/b/a GT Com:

GTC, Inc.'s Petition for Recovery of Costs Pursuant to Section 364.051(4), Florida Statutes

A copy is being served on the Office of the Public Counsel as shown in the attached Certificate of Service. Please feel free to call upon me if you have any questions regarding this filing.

Sincerely,



Marsha E. Rule

Encl.

DOCUMENT NUMBER-DATE

02877 MAR 31 8

FPSC-COMMISSION CLERK

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for recovery of intrastate costs)
and expenses relating to repair, restoration)
and replacement of facilities damaged by Hurricane)
Dennis by GTC, Inc. d/b/a GT Com)
_____)

Docket No. _____

Filed: March 31, 2006

GTC, INC.'S PETITION FOR RECOVERY OF COSTS
PURSUANT TO SECTION 364.051(4), FLORIDA STATUTES

GTC, Inc., d/b/a GT Com ("GT Com"), by and through its undersigned counsel and pursuant to §364.051(4)(b), Florida Statutes and Rule 28-106.201, Florida Administrative Code, hereby petitions the Commission for approval of recovery of its intrastate costs and expenses relating to repairing and restoring lines, plant and facilities damaged by Hurricane Dennis in 2005. In support of this Petition, GT Com states as follows:

1. GT Com is certified in Florida as a small local exchange telecommunications company as defined in §§364.02(7) and 364.052(1), Florida Statutes. GT Com has fewer than one million access lines and is subject to carrier-of-last-resort obligations. GT Com's full name, address and point of contact are:

GTC, Inc. d/b/a GT Com
Attn: Mr. R. Mark Ellmer
P.O. Box 220
502 Cecil G. Costin Sr. Blvd
Port St. Joe, Florida, 32457
850.229.7315 (telephone)
850.229.5141 (facsimile)
mellmer@fairpoint.com

2. All pleadings, documents, correspondence, notices, staff recommendations and orders filed, served, or issued in this docket should be served on the following:

DOCUMENT NUMBER-DATE

02877 MAR 31 8

FPSC-COMMISSION CLERK

Kenneth A. Hoffman, Esquire
ken@reuphlaw.com
Marsha E. Rule, Esquire
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215 South Monroe St., Suite 420
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3. The Commission has jurisdiction to grant the relief requested herein pursuant to §364.051(4)(b), Florida Statutes.

4. GT Com incurred intrastate costs and expenses relating to repairing, restoring and replacing its lines, plants and facilities caused by Hurricane Dennis, a tropical system named by the National Hurricane Center. GT Com has no storm reserve fund.

5. GT Com serves 47,358 lines in 17 exchanges throughout the Florida Panhandle/Big Bend area, including exchanges serving Alligator Point, Altha, Apalachicola, Blountstown, Bristol, Carrabelle/Dog Island, Chattahoochee, Eastpoint/St. George Island, Hosford, Keaton Beach, Laurel Hill, Mexico Beach, Paxton, Perry, Port St. Joe, Tyndall Air Force Base, and Wewahitchka. Hurricane Dennis, the first major hurricane of the 2005 hurricane season, made landfall on Santa Rosa Island, Florida, on July 10, 2005 as a Category 3 hurricane, indicating winds of 111 – 130 miles per hour. Thereafter the center of the storm moved across the Florida Panhandle, bringing tropical storm-force winds to a large area of Northwest Florida. Dennis also produced a higher-than expected storm surge that contributed to the damage incurred by GT Com. Ultimately, Hurricane Dennis reportedly caused over \$2 billion in estimated U.S. damages as well as several deaths in Florida.

6. Within GT Com's system, storm surge and erosion caused by Dennis damaged or destroyed various copper and fiber routes. Saltwater intrusion into pedestals caused significant corrosion of cable connections requiring replacement or repair of approximately 230 pedestals. These pedestals were primarily located in the Apalachicola, Eastpoint, Carrabelle, Indian Pass and Alligator Point service areas. Dennis also washed out numerous buried cable routes including major feeder cable on Alligator Point, portions of the fiber optic feeder route serving the Indian Pass community, and numerous buried drop cables. In addition, storm surge flooded the digital carrier system serving the Indian Pass area. Cable serving Alligator Point could not be restored until state and county transportation and public work authorities completed repair of the main access road. Service to Alligator Point therefore was not completely restored to all customers for approximately 60 days. Dog Island customers likewise were without service for approximately 60 days. Due to its isolated location, service to Dog Island could not be restored until a contractor was able to ferry cable-burying equipment to the island. Approximately 10,000 lines or 21% of GT Com's customers were impacted by Hurricane Dennis.

7. To track and identify costs, GT Com established a work authorization project in its accounting system before Hurricane Dennis made landfall, to which all hurricane-related costs associated with repair, restoration and minor replacement of facilities were charged. Costs captured in the work authorization for Hurricane Dennis include repair, replacement or rehabilitation of approximately 230 pedestals; sections of copper cable ranging in length from 50 to 4,000 feet and ranging in size from 6-pair drop cable to 900-pair distribution cable; and approximately 700 feet of fiber cable. GT Com did not incur significant costs associated with aerial cable (excluding drops) because approximately 98% of plant facilities are buried. Additionally, following temporary restoration of service to Alligator Point and Indian Pass, GT

Com undertook two major capital projects to permanently restore service to these areas. The Alligator Point project included permanent replacement and rerouting of approximately 8,200 feet buried distribution cable, while the Indian Pass project included permanent replacement of approximately 700 feet of fiber optic cable and approximately 700 feet of buried copper cable.

8. GT Com incurred total costs and expenses of \$441,041 company-wide to repair, restore and replace lines, plants and facilities damaged by Hurricane Dennis, as follows:

- \$26,985 Contract labor expense incurred to restore and repair damaged facilities, including cable splice crews, drop crews and general assistance. This labor includes the initial cost of temporarily restoring service as well as final repair and restoration in many instances.
- \$31,534 Materials including pedestals, cable, splice kits and miscellaneous items.
- \$131,522 Labor costs associated with reworking, rehabilitating pedestals, and replacing and repairing damaged cable. These labor costs also include time expended in maintaining power supplies in areas subject to commercial power failures caused by Hurricane Dennis.
- \$227,000 Engineering, labor and materials to replace company distribution plant at Alligator Point, including substitution of cost-saving fiber optic and electronic equipment in lieu of more expensive 900-pair copper cable.
- \$24,000 Engineering, labor and materials to replace and bury approximately 700 feet of both fiber feeder cable and 700 feet of copper distribution cable along county road right-of-way at Indian Pass.

The intrastate portion of such costs total \$310,474, exclusive of carrying costs and taxes. Such costs and expenses were reasonably and prudently incurred under the circumstances.

9. GT Com presently serves 47,358 Florida customer access lines. In order to completely recover its intrastate costs and expenses to repair, restore and replace lines, plants and facilities damaged by Hurricane Dennis, including carrying costs and taxes, GT Com would have to impose a charge in excess of \$0.55 per customer access line to each of its basic, non-basic and wholesale loop customers for a period of 12 months. However, pursuant to §364.051(4)(b) 5, Florida Statutes, GT Com seeks authority to recover \$0.50 per customer access line. GT Com will monitor and review its cost recovery and at the end of the recovery period, will refund any collections in excess of the approved amount pursuant to §364.051(4)(b) 6, Florida Statutes.

WHEREFORE, GT Com respectfully requests the Commission to grant its Petition and permit GT Com to recover its reasonable intrastate costs and expenses related to Hurricane Dennis as set forth above, and grant such other relief as the Commission deems just and proper.

RESPECTFULLY SUBMITTED this 31st day of March, 2006.



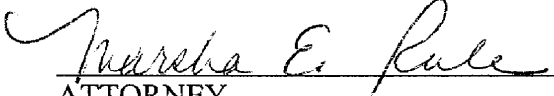
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850.681.6788 (telephone)
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ATTORNEYS FOR GTC, INC.
d/b/a GT COM

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing Petition was furnished by U.S. Mail to the following on this 31st day of March, 2006:

Harold McLean
Office of the Public Counsel
111 W. Madison St., Room 812
Tallahassee, FL 32399-1400


ATTORNEY