

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

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

PROCEEDINGS: RIVIERA BEACH SERVICE HEARING

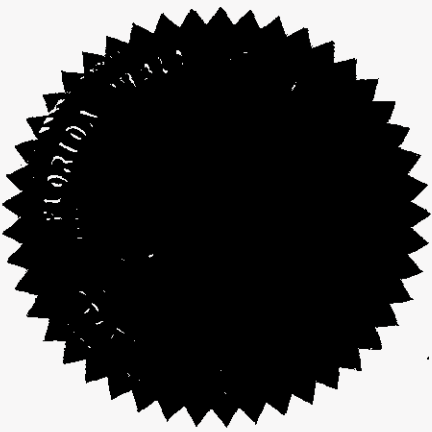
BEFORE: COMMISSIONER SUSAN F. CLARK
COMMISSIONER LUIS J. LAUREDO

DATE: Wednesday, December 1, 1993

TIME: Commenced at 6:05 p.m.
Concluded at 6:50 p.m.

PLACE: Suncoast High School
Auditorium
600 West 28th Street
Riviera Beach, Florida

REPORTED BY: JOY KELLY, CSR, RPR
Chief, Bureau of Reporting



DOCUMENT NUMBER-DATE
13257 DEC 13 88
FPSC-RECORDS/REPORTING

1 APPEARANCES:

2 HARRIS R. ANTHONY, c/o Marshall M. Criser,
3 III, 150 South Monroe Street, Suite 400, Tallahassee,
4 Florida 32301, Telephone No. (904) 222-1201, and R.

5 CHARLES J. BECK, Office of Public Counsel,
6 c/o The Florida Legislature, 111 West Madison Street,
7 Room 812, Tallahassee, Florida 32399-1400, Telephone
8 No. (904) 488-9330, on behalf of the Citizens of the
9 State of Florida.

10 NOREEN DAVIS, FPSC Division of Legal
11 Services, 101 East Gaines Street, Tallahassee, Florida
12 32399-0863, Telephone No. (904) 487-2740, appearing on
13 behalf of the Commission Staff.

14

15

16

17

18

19

20

21

22

23

24

25

I N D E X

MISCELLANEOUS

Page No.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

OPENING STATEMENT BY MR. ANTHONY

7

OPENING STATEMENT BY MR. BECK

10

WITNESSES

Name:

ELAINE ZEIF

Direct Statement

14

EDWARD "BUTCH" OWENS

Direct Statement

18

Cross Examination

25

EXHIBITS

Number:

Identified Admitted

4 (Company) Proof of
Publication for Riviera
Beach Service Hearing

7

P R O C E E D I N G S

(Hearing convened at 6:05 p.m.)

COMMISSIONER CLARK: We'll call this hearing to order.

Before I welcome you we have to go through a few formalities, first of which is reading the notice, so I'll ask the Commission Staff attorney to read the notice.

MS. DAVIS: Thank you, Commissioner.

This time and place have been set for a service hearing by notice issued 9-28, 1993, in the consolidated Southern Bell dockets, Nos. 920260-TL, 910163-TL, 910727-TL, 900960-TL and 911034-TL.

COMMISSIONER CLARK: We'll take appearances.

MR. ANTHONY: Hank Anthony on behalf of Southern Bell Telephone and Telegraph Company.

MR. BECK: Charlie Beck, Office of the Public Counsel on behalf of Southern Bell's customers.

MS. DAVIS: Noreen Davis, appearing on behalf of the Commission Staff.

COMMISSIONER CLARK: At this point I'd like to introduce myself. My name is Susan Clark. I'm a Commissioner with the Florida Public Service Commission. I will be chairing this panel today and I do so solely because of my seniority.

1 To my left is Commissioner Lauredo.

2 We will be conducting this hearing for the
3 purpose of receiving comments from the customers of
4 Southern Bell regarding this proposed rate case. We
5 are particularly interested in your comments about the
6 quality of service rendered by Southern Bell.

7 The petition that was filed by Southern Bell
8 is for an evaluation of their incentive regulation plan
9 under which they have been operating for the last five
10 years. The petition is a legal document that
11 summarizes the reasons for the rate changes and rate
12 schedules they are proposing.

13 It is accompanied by financial, engineering
14 and rate information that supports the Company's
15 request.

16 During the pendency of the proceedings,
17 parties who have intervened in this case my solicit
18 further information from the Company through
19 interrogatories and depositions of company-sponsored
20 witnesses. In this case, you all are represented by
21 the Public Counsel, which is Mr. Charlie Beck, who is
22 to my far right.

23 The Commission has held several public
24 hearings in this case. This is one of them. There is
25 another public hearing going on a little further south.

1 It is specifically designed to gather information about
2 the quality of service. Later on at the first of this
3 year in January and February, we will be holding
4 technical hearings in Tallahassee and to gather the
5 information compiled by the Company and the intervenors
6 regarding the rates that should go into effect for this
7 Company.

8 Once the hearing is held, we will meet once
9 again at a public meeting, called an agenda, to decide
10 the issues in this case.

11 As I have mentioned, we have parties who have
12 intervened in this case and here today we have
13 Mr. Charlie Beck, representing the Public Counsel and
14 Mr. Hank Anthony representing the company.

15 Before I take your comments, I'm going to
16 allow them the opportunity to address you regarding
17 this proceeding. I would ask them both to limit their
18 comments to five minutes, so that we may proceed
19 directly to hearing from you about this petition and
20 about the quality of service.

21 With that I'll turn it over to you, Mr.
22 Anthony.

23 MR. ANTHONY: Thank you, Commissioner Clark.
24 Just one administrative matter before I begin.

25 COMMISSIONER CLARK: Okay.

1 MR. ANTHONY: I have the Proof of
2 Publication, if I could have that admitted as an
3 exhibit into the record.

4 COMMISSIONER CLARK: All right. I think that
5 will become Exhibit 4.

6 (Exhibit No. 4 marked for identification.)

7 MR. ANTHONY: Thank you.

8 Good evening. As Commissioner Clark said,
9 I'm Hank Anthony with Southern Bell. I want to thank
10 all of you for coming out this evening. I know the
11 weather isn't very good, but I appreciate the fact you
12 took the time to come this evening. I'm going to be
13 brief tonight because the reason we're here is to hear
14 from you, so I know you don't want to listen to me for
15 too long. But there are a few things that I think need
16 to be said tonight to set the context for the
17 discussion this evening.

18 We need to look no further than the headlines
19 of recent newspaper and news magazine articles to
20 realize that the telephone business is changing at an
21 ever-increasing pace. A recent front-page article in a
22 major Florida newspaper said --

23 UNIDENTIFIED SPEAKER: Slower and louder,
24 please.

25 MR. ANTHONY: Yes, ma'am. And I quote from

1 this newspaper, "In Florida the merger of Bell Atlantic
2 and TCI may challenge Southern Bell's decades' old
3 dominance of local telephone service," end quote. The
4 story continued that by mid-1994 the Bell Atlantic/TCI
5 system will link living rooms in major portions of
6 Florida with America's data superhighway through a
7 single outlet in the home. So America, and Florida in
8 particular, are in the middle of a communications
9 revolution, not an evolution. Yet our traditional
10 regulatory process never envisioned this changing
11 market and environment.

12 The regulatory policies of the past do not
13 address the changes that are occurring today let alone
14 tomorrow's changes. And that brings me to the proposal
15 that we have before the Public Service Commission.

16 That proposal is really about continuing
17 Florida's transition to this new world. It's about
18 providing you, our customers, with options. It's about
19 providing reasonably priced, reliable service and about
20 allowing Southern Bell to be able to compete in this
21 new world of competition.

22 Since we've already sent our customers a bill
23 insert that describes our proposals in detail, and the
24 Commission has also provided you with information this
25 evening, I'm not going to give you all of the details

1 of our proposal. If you still have questions about any
2 of those proposals, I know the Commission has people
3 here who can answer those as does Southern Bell.

4 I do want to emphasize, though, three primary
5 points about our proposal.

6 First, this is a rate reduction case. Since
7 1988, when the PSC approved Southern Bell's current
8 incentive regulatory plan, you, our customers, have
9 received more than \$1.4 billion, billion with a "B," in
10 rate reductions and refunds. In our proposal that
11 we're talking about tonight, we're suggesting another
12 reduction in our rates of over \$26 million in addition
13 to \$49 million in reductions that are already scheduled
14 to take place.

15 Second, if Southern Bell is to be able to
16 continue offering reasonably priced service, we must
17 have a regulatory environment that encourages
18 efficiency and provides the capital resources so we can
19 bring the benefits of the Information Age to all of us.

20 And finally, there's been a great deal of
21 publicity about Southern Bell's proposed expanded local
22 service plan. Despite what you may have heard, the
23 truth is that this is an optional plan, not a mandatory
24 plan. It is and it is our intent, if it is approved,
25 that it will remain an optional plan that will provide

1 benefits to some but not all of our customers.

2 If this plan doesn't provide benefits to you,
3 you'll still have the same flat rate service that you
4 have today. We propose no change in the flat rate
5 service.

6 There are many other features of our
7 proposal, but I did promise to be brief and tonight is
8 about hearing from you, so I want to thank you for
9 coming out and look forward to hearing from you. Thank
10 you.

11 COMMISSIONER CLARK: Thank you, Mr. Anthony.
12 Mr. Beck.

13 MR. BECK: Thank you, Commissioner Clark.
14 Mr. Anthony is certainly correct that times are
15 changing very quickly and one of the driving forces of
16 that change is technology.

17 Southern Bell's network that delivers the
18 calls that you make is based mainly on computers that
19 switch your calls in fiber-optic links between those
20 computers. This industry is in a dramatically
21 declining cost mode. If you watch the prices of
22 calculators or watch the prices of computers in the
23 stores, you know that these prices are decreasing very
24 rapidly and have been for years. Well, just as the
25 prices for the technology is declining, so should the

1 cost that you pay for your telephone service be
2 declining.

3 In this case the issue is how much should
4 Southern Bell's rates go down? Mr. Anthony mentioned
5 the \$1.2 billion over the last five years, and that's a
6 figure that just adds up the savings each of the five
7 years to reach that total. But compare that to what
8 they're composing in this case, which is a \$26 million
9 reduction. It's very, very small compared to what's
10 happened in the past. What Southern Bell is trying to
11 do is to not decrease their prices as they should be,
12 given their declining cost.

13 Among the things Southern Bell is asking is
14 that their authorized profit level be unchanged today
15 from when the Commission set it in 1988. When the
16 Commission did it in 1988 they set the rates at a 13.2%
17 return on equity. That's the profit level Southern
18 Bell keeps after you've paid their taxes in your rates,
19 so that's their after-tax profit. Then the Commission
20 allows them to keep a portion of their profits above
21 14%. Southern Bell wants to keep those same rates.
22 They are projecting to earn a 13.5% return even this
23 year after you've paid their taxes. They are trying to
24 keep this same profit level, even though since the time
25 the Commission set their rates in 1988, the prices of

1 long-term bonds have dropped by three, four percentage
2 points.

3 Well, we think their authorized profit levels
4 ought to come down in a similar manner because we are
5 now at a very low point in interest rates that hasn't
6 been seen for a few decades. There's at least
7 \$100,000,000 at stake over that the issue alone. We're
8 also taking issue with many of the accounting
9 adjustments that Southern Bell makes in computing their
10 profits. And we believe their profits are actually
11 much higher than they are saying because of some of
12 their accounting mechanisms.

13 Their proposal for expanded local service has
14 a catch to it. And they've told you it is optional,
15 which it is, but what they have done is made a proposal
16 that will give you lower rates for your shorter long
17 distance calls; that's calls out to 40 miles. But you
18 get those lower rates if, and only if, you agree to
19 abandon your flat rate service and take a local
20 measured service that the company is proposing.
21 There's a tie-in between the two. You don't get the
22 reduced long distance rates unless you agree to take
23 the measured rates on your local service, which would
24 measure your local calls by the minute. We're very
25 much opposed to that linkage.

1 We think the toll rates ought to come down
2 and that their profit level certainly would support
3 reducing their toll rate, and those toll rates ought to
4 be available to everybody, not just to those who are
5 willing to abandon their flat rate local service.

6 In addition, we're proposing that your
7 Touch-Tone charges be eliminated. This is a service
8 that's provided to you at no cost to the Company, and
9 there's no rationale to keeping a Touch-Tone charge at
10 all.

11 There's also an extended area service
12 proposal before the Commission. They've deferred
13 making a decision on that twice at the Commission
14 pending this hearing. So if anybody wants to address
15 that tonight, this would certainly be the time to do
16 it.

17 Our bottom line is we are proposing that
18 Southern Bell be required to reduce their rates by
19 several hundreds of millions of dollars, and we're
20 going to try very hard in this case to make that
21 happen. Thank you.

22 COMMISSIONER CLARK: Thank you, Mr. Beck.

23 We're now at the point to hear from you, the
24 customers. Mr. Beck, you have some people that have
25 signed up, have you not?

1 MR. BECK: Yes. Thank you.

2 COMMISSIONER CLARK: Okay. Because we want
3 to be able to rely on your testimony when we make our
4 decision, it's necessary for us to swear you in. So
5 what I'd like to do right now is to ask all of those
6 people who are going to present comments to stand, and
7 I will swear you all in at the same time. All those
8 people who have signed up to speak, would you please
9 raise your right-hand?

10 (Witnesses sworn collectively.)

11 COMMISSIONER CLARK: Mr. Beck, if you would
12 call the first person.

13 MR. BECK: YES. Mrs. Elaine Zeif.

14 WITNESS ZEIF: Do I have to come down?

15 COMMISSIONER CLARK: Well, she needs to hear
16 you to take your testimony, so you need to come down to
17 the microphone, although, I can hear you perfectly.

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

22 WITNESS ZEIF: I agree 100% with this
23 gentleman's remarks, and I'd like to go a little bit
24 further.

25 COMMISSIONER CLARK: Can I stop you once

1 more? Mr. Beck has read your name, but will you spell
2 your name for us, so she gets it right to the record.

3 WITNESS ZEIF: My last name? ZEIF, Z, as in
4 zebra, E-I-F, as in Frank.

5 COMMISSIONER CLARK: Go ahead.

6 WITNESS ZEIF: What Mr. Beck said made 1,000%
7 sense.

8 In reference to some of the things he said,
9 the constant increased profits of the telephone company
10 is really not doing the public any good. You have a
11 13.5% net profit, which is much higher than a small
12 businessman would make in a year; net we're talking
13 about now.

14 When you have your parent company having so
15 much excess profits, looking to buy, to go in business
16 with QVC to buy Paramount, I would say there's no need
17 for any increased rates of any kind, anywhere, for many
18 years to come, with a lot more money coming back to the
19 public on their bills; not that little bit that is
20 there now, but a lot more. If this company is making
21 the kind of profit that Southern Bell is making, that's
22 a disgrace. This is a public utility. That's a
23 disgrace. And it's small people who are now unemployed
24 -- this is a recession. We're supposed to be coming
25 out of it. You're making your profits, and these

1 people are starving and having difficulty having
2 incomes.

3 Okay. We did that. Now, you also have
4 people on fixed incomes. Their social security
5 increase does not equal that of inflation. It is less.
6 It's 2-point-something and inflation -- what is it for
7 '93, do you remember? Do you know what it's going to
8 be?

9 MR. BECK: Less than three.

10 WITNESS ZEIF: Whatever it is, the social
11 security raise this year is 2-point-something. It is
12 not the same as inflation.

13 Also on here you have, in reference to where
14 it says your premium rates, what do you consider a few
15 phone calls? Why are there no specifics?

16 MR. ANTHONY: Are you asking me, ma'am.

17 WITNESS ZEIF: Yes, sir, I am.

18 COMMISSIONER CLARK: Can you answer that
19 question?

20 MR. ANTHONY: We have some people who can
21 tell you exactly how it works out. But it would depend
22 on your calling patterns. You could figure it out,
23 it's two cents --

24 WITNESS ZEIF: One to ten, five to ten, ten
25 to 20? Why is that not spelled out here for the

1 general public?

2 MR. ANTHONY: Because we tried to keep it as
3 simple as we could for the general public, but when you
4 have to answer that question --

5 WITNESS ZEIF: Not giving numbers is not
6 keeping it simple; you're confusing people.

7 MR. ANTHONY: Well, we certainly have no
8 intent to confuse anybody.

9 WITNESS ZEIF: Also, somewhere in here it
10 says about you losing revenues. Now, do you really
11 expect the public to believe that you're going to
12 reduce customer's rates by 26.8 million or permanent
13 rate reductions of 48.2 million in certain services?
14 Do you expect the public to believe that you're going
15 to stay in business and lose money? We're not stupid.
16 We're dumb sometimes, but we're not that stupid to
17 believe that you're going to stay in business with that
18 kind of reduction. Your profits are going to be less.
19 That's about all, if that.

20 Okay. The only -- as Mr. Beck pointed out,
21 the dollar surcharge for these Touch-Tone and other
22 things that actually cost the Company no money, and
23 with your new fiber-optics, means you have less
24 employees. But that also saves you a great deal of
25 money. Less employees is less social security for you

1 to -- your share, less health benefits, less pensions,
2 less workmen's comp, less unemployment taxes. In
3 essence, less expenditures all the way around, no
4 freebies, no cars. That's it.

5 MR. ANTHONY: Thank you.

6 COMMISSIONER CLARK: Just a minute. Are
7 there any questions? Commissioner Lauredo?

8 COMMISSIONER LAUREDO: No, ma'am.

9 COMMISSIONER CLARK: Thank you very much.

10 (applause)

11 (Witness Zeif excused.)

12 MR. BECK: Mr. Butch Olsen.

13 EDWARD "BUTCH" OLSEN

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

17 COMMISSIONER CLARK: Would you give your name
18 again and then spell it?

19 WITNESS OLSEN: My name is Edward "Butch"
20 Olsen. I live at 3100 Southeast St. Lucie Boulevard in
21 Stuart. My telephone number is 283-5548. I'm a
22 self-employed fisherman.

23 I'm what you might describe as a disgruntled
24 ex-employee. I was terminated by the Company November
25 1990 and the company's actions in my termination are

1 currently under litigation.

2 I'm not here tonight to discuss my
3 termination. The purpose of my remarks is to tell you,
4 the Public Service Commission, about Southern Bell's
5 failure to provide quality of service that West Palm
6 Beach customers need and deserve. You may also be
7 aware that I recently exposed Southern Bell's
8 grassroots letter-writing campaign to elected
9 representatives and the PSC.

10 I worked for Southern Bell for 20 years. In
11 that time, I worked my way up from janitor to managing
12 half of the outside plant repair facility in the West
13 Palm Beach area. There were over a hundred supervisors
14 and crafts persons in my organization. Southern Bell
15 is fortunate to have a group of employees who are
16 dedicated and hard-working.

17 The average Southern Bell worker wants to
18 provide the very best service possible to the public.
19 But the problem that the employees have in providing
20 good service is that priorities that the Company places
21 on earnings or its budget. During recent years, the
22 Company has continued to reduce its head count to the
23 extent that there aren't enough people on the payroll
24 in the basic servicing jobs to provide adequate levels
25 of service. I recall that after divestiture in one

1 fell swoop I lost over 20% of my cable repair force to
2 adjustments. There was no explanation by higher
3 management. The work content was excessive in repair
4 at the time, and the only thing that my people could do
5 was change out facilities. Higher management's
6 attitude towards the refurbishment towards outside
7 plant facilities is a disgrace.

8 Work authorizations for the rehabilitation of
9 customer services, plant, has been allowed to stack up
10 and sit in files until they are too old and then closed
11 out.

12 As a member of Southern Bell's management
13 structure, it was very clear to me throughout my career
14 that top management in the company set up its budget to
15 provide a specific return to its investors. When
16 revenues were down, we had to cut our hours and the
17 quality of service we were providing. Whenever there
18 was a choice we had to make between the budget or good
19 serviced to the public, then good service was always
20 the second choice. After the breakup of AT&T and the
21 Bell Operating Companies, there was a time when we were
22 able to provide the quality of our outside plant
23 facilities, and we were given enough people to provide
24 good service. But during recent years, the Company's
25 attention has shifted away from service and the

1 financial results have become more important.

2 While cutting the forces necessary to do the
3 job, top management has continued to put pressure on
4 lower management to produce satisfactory results, no
5 matter what it takes.

6 One division manager would bring in his first
7 level managers who failed to meet the numerical
8 objectives set forth for them for what he called
9 love-ins. He would intimidate them to provide
10 acceptable but unrealistic results. Productivity is
11 the highest priority. Anyone who doesn't meet the
12 expectation for productivity can count on a poor
13 appraisal, small raises and plenty of browbeating.

14 I'm personally aware that the quality of the
15 outside plant servicing job has declined in recent
16 years. Instead of fixing troubles in outside plant
17 facilities, technicians are forced to change out cable
18 pairs and move on to the next trouble report. Quality
19 is sacrificed for economics. And ultimately the
20 customer is the one who pays because there aren't
21 enough people on the force to deliver a quality repair
22 job. For years repair techs have been loaned to
23 construction when there wasn't an adequate work force
24 in either group.

25 This creates a downward spiral in that

1 rehabilitation of customer service plant cannot be
2 accomplished adequately.

3 I'm personally aware that our construction
4 forces in West Palm Beach were so undermanned that
5 their backlog of unworked construction jobs was over
6 two years old. These are jobs that would have replaced
7 old worn out cable with new high-quality facilities
8 capable of providing high-quality service. I'm
9 personally aware that in order to achieve their
10 indexes, the construction organization simply canceled
11 jobs and junked new cable.

12 One manager, who was a close friend of mine,
13 quit in part due to frustration because the Company
14 refused to devote the attention it needed to improve
15 the quality of its facilities.

16 Throughout the company, I'm aware of numbers
17 of lower level managers who are expected to produce
18 good results, but they are not given the tools to get
19 the job done. During recent years, achieving the
20 various numerical goals of the company have become even
21 more important than in past years. I believe that
22 incentive regulation had something to do with this,
23 since we were given the opportunity for higher
24 earnings, but we still had to maintain these same
25 objectives established by the Commission. In addition,

1 the Company's team incentive awards provided bonuses,
2 provided the whole state met the financial and service
3 goals of the Company. Those factors put added emphasis
4 on achieving certain goals or indexes. While the
5 Company has adequate management appraisal programs,
6 they are seldom effective. The team incentive award
7 program overrides all reality. When, as a manager, you
8 are lumped with your peers for pay treatment, you don't
9 want to be the one that doesn't make it. So the rule
10 is do whatever it takes to make the corporate goals.

11 The problem with all of this is that numbers
12 or indexes have become more important than providing
13 good service. Under great pressure to produce good
14 results low level managers and craft persons have had
15 no choice but to cut corners and bend the rules. These
16 are good people, but if given no choice between having
17 a job or bending the rules, there are few among us who
18 would not bend the rules. That's what's happened in
19 Southern Bell.

20 For this Commission I believe you should
21 deliver a strong message to the Company to ensure that
22 customer service comes first. Southern Bell customers
23 in West Palm Beach pay well for the services of the
24 Company. I understand that the Company revenues are up
25 to 3 billion a year, billion with a "B."

1 You need to make sure that the reports the
2 company sends to you are honest reports and that the
3 first priority of the entire Company is good service,
4 not the budget.

5 During the past several years the quality of
6 service has gone down in West Palm Beach, but I
7 understand earnings have not. You should ask how this
8 happened. Believe me, they had a choice, good service
9 or good earnings. They made their choices and the
10 customers have suffered.

11 You, the Public Service Commission, are the
12 only ones who can change the priorities of this
13 company. For the customers of West Palm Beach and the
14 state of Florida, I hope you will. Don't listen to
15 what they say. The words are always sugar-coated.
16 Watch what they do closely, that's the secret. Should
17 you or your Staff wish to follow up on any of my
18 comments, please feel free to get in touch with me.

19 COMMISSIONER CLARK: Thank you, Mr. Olsen.
20 Just a minute. Are there any questions?

21 MR. BECK: No questions.

22 MR. ANTHONY: I think I may have a few.

23

24

25

CROSS EXAMINATION

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

BY MR. ANTHONY:

Q Mr. Olsen, did I understand you correctly that you said you were fired from Southern Bell in November of 1990?

A That's right.

Q And so you haven't worked for the Company for three years.

A No, I have not.

Q So you don't have any firsthand knowledge, do you, of the Company's construction budget or the number of employees on the payroll in West Palm Beach or any other indicia of service, do you?

A That's true, only my own experiences.

Q Which ended three years ago.

A That's right. November 19th, 1990, Mr. Anthony.

Q And you were discharged for your involvement in a sales problem; is that correct?

A That's correct.

Q And the allegation was that you had bent the rule with regard to the sale of services; is that correct? Sale of services to customers without their knowledge?

A I was not given a reason for my dismissal.

1 Q You have litigation pending over that
2 dismissal you said; is that correct?

3 A Yes, I do.

4 Q And do you know today the reason that was
5 stated for your dismissal.

6 A No, I do not.

7 Q You don't know that it was for your alleged
8 involvement in improper sales?

9 A No, I do not.

10 MR. ANTHONY: Thank you. That's all I have.

11 COMMISSIONER CLARK: Thank you, Mr. Anthony.

12 Thank you for coming out, Mr. Olsen, and we
13 do have your name and number should we need to follow
14 up on it. You are probably aware that the quality of
15 service, and specifically customers getting service,
16 being billed for service they didn't ask for is an
17 issue in this case and whether or not repairs were done
18 on time. I know the Commission Staff is looking into
19 it vigorously and Public Counsel is looking into it
20 vigorously. And now that they have your name, which I
21 sort of suspect they already know about the lawsuit and
22 know where to contact you should they need to. And I
23 appreciate your coming here today to this hearing.

24 WITNESS OLSEN: Yes. Thank you.

25 COMMISSIONER CLARK: Mr. Beck.

1 MR. BECK: That's all the customers we've had
2 sign up ahead of time, Commissioner.

3 COMMISSIONER CLARK: Let me ask right now, is
4 there anyone who has not signed up, but would,
5 nonetheless, like to add their comments.

6 Why don't you come forward, and I'll swear
7 you in and then you can give us your name. And spell
8 it for us.

9 (Witness Brown sworn.)

10 BESSIE BROWN

11 appeared as a witness on behalf of the Citizens of the
12 State of Florida and, having been duly sworn, testified
13 as follows:

14 WITNESS BROWN: My name is Bessie Brown,
15 B-R-O-W-N.

16 Within the last two weeks someone has
17 vandalized my house. They cut my telephone wires at
18 the time and I had no service. I had one phone, they
19 just didn't cut one line. It took me two days -- I was
20 told it would be taken care of by 5:00 the following
21 day. I got no calls from them; and then when -- I kept
22 calling myself because I'm home and I have no service.
23 Then when I finally get a call, I'm told that, "Well,
24 you know it will cost you \$46 the first 15 minutes and
25 \$13 each 15 minutes after. You know, why is it that

1 customers don't know these charges?

2 COMMISSIONER CLARK: You mean for someone to
3 come out and reconnect the line, they said it would be --

4 WITNESS BROWN: 46.50 the first 15 minutes
5 and 13.50 every 15 minutes after that.

6 COMMISSIONER CLARK: Let me ask you this:
7 Was your phone line cut outside of your house?

8 WITNESS BROWN: It was on the outside. It
9 was on the outside.

10 Okay. That happened on a Wednesday morning.
11 Monday, the following Monday, the same thing happened
12 to me, they cut all four of them this time, and I had
13 to call again. This time I got service like in the
14 afternoon. I went home about 1:00, so I had to have
15 the Police Department call Southern Bell for me this
16 time, because I had no way of calling. I didn't want
17 to leave my house. They had actually come in my house
18 and left.

19 So same charges. You know, there was nothing
20 offered as, "Why don't we move these wires and put them
21 inside." You know, that's creating a problem, so I
22 said, "Why don't you, you know, -- is there anything
23 you can do for me?" You know, you just don't get
24 anything. "Well, we'll just put them right in here,
25 tighten them up a little bit. You know, they could

1 come back and cut them again. You know --

2 COMMISSIONER CLARK: Your phone line, outside
3 phone lines need to be more secure.

4 That is a problem we have wrestled with,
5 because other people have asked us about moving those
6 phone line inside. It does create a problem when there
7 has to be service, but what I would like to do is have
8 one of our Staff people meet with you and get the
9 specifics of what happened, and see if there isn't a
10 way to resolve your problem so that maybe it can be put
11 in a area where it's not subject to being vandalized or
12 it's not as easy to do that.

13 WITNESS BROWN: Well, I have a garage, you
14 know, they could just come in, you know, inside. I
15 asked because if you put in an alarm system, there's
16 only me and my daughter at home. Cut the wires, what
17 good is the alarm system. You know? And someone has
18 been to my twice within like six days, you know, and
19 I'm just told, "Well, it will cost you." You know, I'm
20 not interest in the cost at the time. I'm interested
21 in getting service in my house. I'm sitting here,
22 sleeping in there for three nights, you know, no
23 service and someone has already been in. And then I
24 called the Company, and they said, "Well, you have to
25 call customer service and do a complaint, but I

1 sympathize with you that they didn't do it." Then when
2 I called customer service, it was about the fourth call
3 and I said, "Let me tell you something, can you help me
4 before I repeat the story again?" So at the time I
5 repeat the story again. They say, "Well, you'll have
6 to call 611, maintenance." Then I get the same person
7 that I just finished talking to. They told me to call
8 customer service. She said, "Well, Ms. Brown, what do
9 you want me to do?" You know, to listen, to hear that.
10 I said, "What I would like for you to do is to
11 discipline the employee that came by on the day that he
12 was supposed to fix my wires, and did not fix them, did
13 not call me, and told me that there was no call back
14 number." I said, I want you to take care of your
15 employees, then I wouldn't be going through this
16 hardship," you know, and stuff like that. And then
17 when I asked who was her supervisor, you know, I asked
18 because I would go on. I'd go as far as I have to, you
19 know, I have paid my bill for over 21 years, see, and I
20 don't appreciate, you know, going through the hassles.
21 All I wanted them to do is call me, give me the
22 service. You know, if I have a charge, tell me the
23 charge and go ahead. But, you know, it was just like
24 back and forth and all of that, and I just wasn't in a
25 good frame of mind.

1 COMMISSIONER CLARK: I would like someone on
2 our Staff to review what has happened with respect to
3 your service and maybe help you reach a compromise with
4 the Company as to a place the wires might possibly be
5 moved. I'm not promising you it can be done. We have
6 some people from our customer service, the gentleman
7 back there that's standing up. If you would talk to
8 him about that, he'll work with you and see if we can't
9 resolve this, so you won't have to tell this story
10 again. Thank you.

11 WITNESS BROWN: Okay. Because it was so
12 recent, I'd just like to let you all know what was
13 happening.

14 COMMISSIONER CLARK: Thank you.

15 WITNESS BROWN: Thank you.

16 COMMISSIONER CLARK: Is there anyone else who
17 would like to add their comments about the quality of
18 service? Or any other issue in this case?

19 Well, am I correct that the notice says we
20 will continue this hearing until the last witness is
21 heard?

22 MS. DAVIS: That's correct, Commissioner.

23 COMMISSIONER CLARK: I think what we're going
24 to do is maybe take a five-minute break. We will
25 reconvene to see if anyone else has arrived who would

1 like to speak, or if anyone else in the audience has
2 determined they have something to say. If we don't
3 have any further witnesses, then we will adjourn the
4 hearing. So we'll take a five-minute break.

5 (Brief recess.)

6

- - - - -

7 COMMISSIONER CLARK: Ladies and gentlemen,
8 we're going to reconvene this hearing, and I'm going to
9 ask one more time, is there anyone here who would like
10 to present their comment on this petition or on the
11 quality of service provided by Southern Bell?

12 Mr. Beck, you haven't had anyone sign up,
13 have you?

14 MR. BECK: No, we haven't.

15 COMMISSIONER CLARK: That being the case,
16 there are no further witnesses to be heard at this time
17 and we'll adjourn the hearing. Thank you very much.

18 (Whereupon, the hearing adjourned at 6:50
19 p.m.)

20

- - - - -

21

22

23

24

25

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

CERTIFICATE OF REPORTER

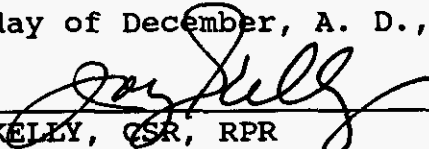
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

I, JOY KELLY, CSR, RPR, Chief, Bureau of Reporting

DO HEREBY CERTIFY that the service hearing in this cause, Docket No. 920260-TL, was heard by the Florida Public Service Commission 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, consisting of 32 pages, constitutes a true transcription of my notes of said proceedings;

DATED this 13th day of December, A. D., 1993.


JOY KELLY, CSR, RPR
Chief, Bureau of Reporting
Florida Public Service Commission
(904) 488-5981

STATE OF FLORIDA)
: COUNTY OF LEON)

The foregoing certificate was acknowledged before me this 13th day of December, 1993, by JOY KELLY, who is personally known to me.


PATRICIA A. CHURCH
Notary Public - State of Florida
COM. NO. CC-90785

THE PALM BEACH POST EXH 4
Published Daily and Sunday
West Palm Beach, Palm Beach County, Florida

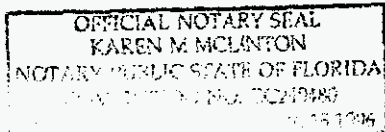
PROOF OF PUBLICATION

STATE OF FLORIDA
COUNTY OF PALM BEACH

Before the undersigned authority personally appeared J.J. Hollenbeck
who on oath says that she/he is Class. Adv. Mgr. of The Palm Beach Post,
a daily and Sunday newspaper published at West Palm Beach in Palm Beach County,
Florida; that the attached copy of advertising, being a Notice
in the matter of order no. 3319003
in the --- Court, was published in said newspaper in
the issues of November 18, 1993

Affiant further says that the said The Post is a newspaper published at West Palm Beach,
in said Palm Beach County, Florida, and that the said newspaper has heretofore been
continuously published in said Palm Beach County, Florida, daily and Sunday and has been
entered as second class mail matter at the post office in West Palm Beach, in said Palm Beach
County, Florida, for a period of one year next preceding the first publication of the attached
copy of advertisement; and affiant further says that she/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.

Sworn to and subscribed before me this 18 day of November A.D. 19 93



Karen M. McLinton
Karen M. McLinton, Notary Public

Personally known XX or Produced Identification _____
Type of Identification Produced _____

**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 incentive sharing plan and to consider Southern Bell's proposal for extension of that plan. It will also consider the Company's proposed rate changes, including the proposed optional Expanded Local Service Plan, reductions in intraLATA access charges and certain custom calling feature rates, a restructuring of service order charges and a reduction of certain business line rates.

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

Wednesday, December 1, 1993—6:00 PM
Suncoast High School Auditorium
600 West 28th Street
Riviera Beach, Florida

Wednesday, December 1, 1993—6:00 PM
Watson B. Duncan Theatre
Palm Beach Community College
4200 Congress Avenue
Lake Worth, Florida

At the above times and places, members of the public may appear to testify as to their interest in this matter. All persons desiring to present testimony at the hearings 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 hearings 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 Capitol, Tallahassee, Florida 32399-1300.