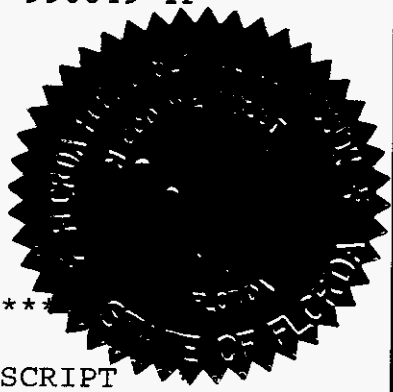


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

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 :
INVESTIGATION INTO PRICING OF :
UNBUNDLED NETWORK ELEMENTS :

DOCKET NO. 990649-TP



*
* ELECTRONIC VERSIONS OF THIS TRANSCRIPT
* ARE A CONVENIENCE COPY ONLY AND ARE NOT *
* THE OFFICIAL TRANSCRIPT OF THE HEARING *
* AND DO NOT INCLUDE PREFILED TESTIMONY. *
*

PROCEEDINGS: ORAL ARGUMENT

BEFORE: COMMISSIONER E. LEON JACOBS, JR.
Prehearing Officer

DATE: Friday, June 2, 2000

TIME: Commenced at 1:30 p.m.
Concluded at 2:23 p.m.

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

REPORTED BY: TRICIA DEMARTE
Official FPSC Reporter
(850) 413-6736

1 APPEARANCES:

2 MARSHA RULE, 106 East College Avenue, Suite 1410,
3 Tallahassee, Florida 32301, appearing on behalf of AT&T
4 Communications of the Southern States, Inc.

5 DONNA McNULTY, MCI WorldCom, 325 John Knox Road,
6 Tallahassee, Florida 32303, appearing on behalf of
7 MCI WorldCom.

8 RICHARD MELSON, Hopping, Boyd, Green & Sams,
9 123 South Calhoun Street, Tallahassee, Florida 32301,
10 appearing on behalf of MCI WorldCom and Rhythms Links.

11 JOSEPH McGLOTHLIN, McWhirter Law Offices, 117 South
12 Gadsden Street, Tallahassee, Florida 32301, appearing on
13 behalf of FCCA.

14 BENNETT ROSS, BellSouth Telecommunications, Inc.,
15 c/o Nancy Sims, 150 South Monroe Street, Suite 400,
16 Tallahassee, Florida 32301, appearing on behalf of
17 BellSouth Telecommunications, Inc.

18 KIMBERLY CASWELL, GTE Florida Incorporated, P. O.
19 Box 110, FLTC0007, Tampa, Florida 33601-0110, appearing on
20 behalf of GTE Florida Incorporated.

21 JEFFRY WAHLEN, Ausley & McMullen, 227 South Calhoun
22 Street, Tallahassee, Florida 32302, appearing on behalf of
23 ALLTEL.

24

25

1 APPEARANCES (Continued):

2 CHARLES REHWINKEL, P. O. Box 2214, Tallahassee,
3 Florida 32316-2214, appearing on behalf of Sprint-Florida,
4 Incorporated.

5 DIANA CALDWELL and WAYNE KNIGHT, FPSC Division of
6 Legal Services, 2540 Shumard Oak Boulevard, Tallahassee,
7 Florida 32399-0850, appearing on behalf of the Commission
8 Staff.

9

10 ALSO PRESENT:

11 WALTER D'HAESELEER
12 PAT LEE

13

14

15

16

17

18

19

20

21

22

23

24

25

FLORIDA PUBLIC SERVICE COMMISSION

003874

P R O C E E D I N G S

1
2 COMMISSIONER JACOBS: We'll call this proceeding
3 to order. Counsel, would you read the notice.

4 MS. CALDWELL: Yes. The notice was issued on
5 May 26, 2000, in Docket Number 990649-TP in regard to
6 investigation into pricing of unbundled network elements
7 that an emergency oral argument would be heard at this
8 time and place.

9 COMMISSIONER JACOBS: Okay. Take appearances.

10 MS. RULE: Marsha Rule for AT&T.

11 MS. McNULTY: Donna McNulty, MCI WorldCom.

12 MR. MELSON: Rick Melson, MCI WorldCom and
13 Rhythms Links.

14 MR. McGLOTHLIN: Joe McGlothlin, FCCA.

15 MR. ROSS: Bennett Ross on behalf of BellSouth
16 Telecommunications.

17 MS. CASWELL: Kim Caswell, GTE Florida.

18 MR. WAHLEN: Jeff Wahlen on behalf of ALLTEL.
19 And Charles Rehwinkel is here --

20 COMMISSIONER JACOBS: I saw him. Otherwise --

21 MR. WAHLEN: -- for Sprint. He'll be right
22 here.

23 MS. CALDWELL: Diana Caldwell and Wayne Knight
24 for Public Service Commission Staff.

25 COMMISSIONER JACOBS: Counsel, would you explain

1 how we're going to proceed here.

2 MS. CALDWELL: Well, I think that the -- we
3 would -- have the parties reached an agreement? What we
4 have done is that all the parties have gotten together,
5 and they have -- what we have discussed is a potential
6 revision to dates of hearing dates and due dates for
7 testimony. However, I do not believe all parties are on
8 board, and so we want to explore that just a little bit
9 further.

10 COMMISSIONER JACOBS: Okay. Who would like to
11 lead out?

12 MS. CASWELL: I can --

13 COMMISSIONER JACOBS: Okay.

14 MS. CASWELL: -- Commissioner Jacobs, because
15 GTE has opposed both motions, both the motion for
16 extension of testimony and for the continuance of the
17 hearing. GTE had nothing to do with the problems that
18 purportedly lead the ALECs to file the motions, and so GTE
19 is dismayed at being prejudice by the relief suggest by
20 the ALECs.

21 We are particularly concerned with having any
22 relief that would cut down the period we have for filing
23 rebuttal testimony to the ALECs' direct case. There is no
24 reason why the ALECs could not have filed their direct
25 case on June 1st. Instead, they have not filed anything

1 at this point, direct or rebuttal.

2 That said, I -- we have tried to come to some
3 compromise with the other parties on potentially moving
4 most of the hearings to September, keeping perhaps a
5 couple of issues in July, and not curtailing GTE's time to
6 do rebuttal on the issues for July, and also requiring the
7 ALECs to adhere to a two-week turnaround for discovery and
8 a five-day objection period for discovery so that their
9 time for discovery would be shortened a little bit, and we
10 would have had some opportunity to do discovery before the
11 hearings.

12 Again, this is just a tentative agreement. I've
13 had a half an hour to try and contact my people and see if
14 they will change their positions on the motions. I have
15 not been able to get to the people I need to. I think the
16 solution will be acceptable, but again, I can't give a
17 definitive answer today. I think the compromise will be
18 acceptable, though.

19 COMMISSIONER JACOBS: Okay. Can we -- can
20 someone just kind of cover what the basic content of the
21 agreement is?

22 MR. ROSS: Commissioner Jacobs, Bennett Ross on
23 behalf of BellSouth. The general framework of the
24 resolution of this issue would be basically to switch
25 around the existing hearing dates. Right now, we have

1 hearings in July that were supposed to deal mostly with
2 the bulk of the cost studies, all of BellSouth's cost
3 studies and most of GTE's. We had three days in September
4 that were set aside to deal with some other cost studies
5 being submitted by GTE.

6 The general framework of the proposal really
7 would involve shifting the vast majority of the issues to
8 September, trying to come up with three additional hearing
9 dates in September, all of which would lead up to a
10 decision by the Commission no later than February of 2001.
11 We understand that there are some scheduling issues in
12 September, but we believe that if the Commission can come
13 up with three additional dates -- and the dates that we
14 had looked at were the 13th through the 15th of September,
15 in addition to the existing dates that are already on the
16 calendar, which are the 20th through the 22nd -- we
17 believe this resolution will work.

18 And basically, what it would involve is that the
19 parties would agree to resolve -- or to hear testimony on
20 issues consisting of depreciation, cost of capital, and
21 taxes in July at the July hearing. And we've agreed to
22 dates for the filing of testimony by the ALECs and
23 rebuttal by the ILECs for those issues as well as counsel
24 mentioned for discovery.

25 All the other issues that are currently on the

1 table would be deferred until September, and we've also
2 reached agreement on the time frames for the filing of the
3 ALEC testimony and ILEC rebuttal testimony on the
4 remaining issues.

5 I believe right now the big question is whether
6 or not we can get -- whether the Commission can find the
7 additional three days in September which would allow this
8 all to fall into place.

9 COMMISSIONER JACOBS: Since it's AT&T's motion,
10 I would be interested in your thoughts about it.

11 MS. RULE: Well, I think we've kind of moved
12 beyond arguing the motion to what we're going to do,
13 Commissioner. I would like to point out that this case,
14 setting the costs for UNE rates, is arguably the most
15 important thing the Commission can do this year to move
16 forward competition in Florida.

17 And as we explored at great length this morning
18 in the workshop, we find ourselves in a position where we
19 have not been able to make BellSouth's model run in order
20 to generate the results that we can then write testimony
21 on. And I don't want to belabor the very fruitful time we
22 spent this morning trying to, you know, work out where to
23 go next. And we are not attempting to point fingers at
24 BellSouth. Nobody alleges that they had -- were doing
25 anything other than trying to be helpful to us, but all of

1 us, including Staff, find ourselves in the position of
2 being basically a month behind schedule. And the schedule
3 was rather ambitious to begin with.

4 I think the Commission's interests are best
5 served and certainly our interests as a competitive
6 community are well served by continuing this hearing to a
7 time where we can prepare testimony that will help the
8 Commission decide these important issues.

9 COMMISSIONER JACOBS: Under the original
10 schedule -- and maybe Staff or any of the parties could
11 help me out on this -- we were going to come forward with
12 some proposed prices for UNEs that would be available as
13 of -- when? Do you recall?

14 MS. CALDWELL: We had a special agenda for the
15 bulk of the issues on October the 16th with a standard
16 order coming out November the 16th.

17 COMMISSIONER JACOBS: Okay. So ostensibly that
18 would have been UNEs prices available. And now we're
19 saying probably February of 2000?

20 MS. CALDWELL: Yes. If we -- we were looking at
21 a special agenda date on February the 19th. So we would
22 be looking at probably the very first of March for the
23 order to come out.

24 COMMISSIONER JACOBS: Okay. That, in my mind,
25 is the -- is where the rubber meets the road here, I

1 think. My concern is that we not defer very long at all
2 on the availability of UNEs at the prices that have come
3 out of a reasonable deliberative process. My preference
4 was that we would take care of most of the issues early
5 rather than later. Let me just hear about this, I guess,
6 from the parties. It was my understanding that the
7 difficulties related to a model that had principally to do
8 with the cost of the loop and that the other issues were
9 not necessarily caught up in that; is that correct?

10 MR. MELSON: Commissioner Jacobs, Rick Melson.
11 I think the loop model has been the most troublesome. As
12 a practical matter that is a key to a great number of
13 UNEs. And frankly, the parties attempting to work with
14 that model and to get it to work have been so focussed on
15 that and moving forward with that very important part of
16 the case that other things that normally would have been
17 going on at the same time have been pushed to the back
18 burner.

19 I think Rhythms and MCI WorldCom were both very
20 anxious to have UNE prices in effect this year. Rhythms,
21 I think, now feels that the compromised schedule is --
22 while we're not happy with it, it's needed because we
23 don't think that we're going to be able to do the job to
24 put together the case we need to put together if the bulk
25 of these issues go to hearing in July.

1 And I think WorldCom's position is somewhat
2 similar, although they, I think, have been most anxious to
3 get things done this year. But I think the compromise is
4 probably the best we can do, and as Ms. Rule said enables
5 the Commission to get the information to make the best
6 informed decision on rates that are probably going to then
7 be in effect for, you know, two to three years.

8 COMMISSIONER JACOBS: Any other parties want to
9 have any comments? Staff?

10 MS. CALDWELL: If I could have just a moment to
11 confer with Staff over here.

12 COMMISSIONER JACOBS: Okay.

13 MS. CALDWELL: Commissioner, Staff supports the
14 settlement or the proposal that the parties have come up
15 with. The concern that Staff has with the -- that they
16 had had when this -- when the motion for continuance and
17 the postponement of time, when those motions were filed is
18 that the times that were being proposed was not giving
19 Staff adequate time for us to look at the models.

20 And as we went through this morning, companies
21 were explaining the different problems that they have had.
22 We, I think, have been able to run one of the cost models,
23 but what we were determining this morning was the amount
24 of time that Staff would need in order to come up with its
25 own recommendation.

1 And it was also Staff's -- would be Staff's
2 position that the February 19th special agenda date was
3 very important to Staff for us to be able to run the
4 models themselves as well as do different simulations and
5 testing with that. And we felt it was very important
6 for -- in order for Staff to have its input into this
7 process that we also be given adequate time.

8 And it's a very -- as everybody has indicated,
9 it's a very complex model, and Staff also wants the
10 opportunity to be able to have its input and its time with
11 the model with the testimony and the discovery. And
12 that's why we had proposed the February 19th special
13 agenda date.

14 We also had done some rough calculations that
15 the recommendation itself was going to run about 2,100
16 pages. That was a rough estimate. It did not include a
17 table of contents; it didn't include case background. We
18 have 63 issues -- 68 issues times three companies. So in
19 order for Staff to do its best job, we felt like the
20 February 19th date was the best we could do.

21 COMMISSIONER JACOBS: Okay. The first thing
22 that jumps out at me is, I'm happy that there has been the
23 effort to go to work on this and to resolve the issues.
24 The second thing that jumps out at me is that this reeks
25 of the type of complexity that can have a life of its own

1 and that we've seen in other dockets in other proceedings
2 which would absolutely be unacceptable on these issues.

3 We could not allow the uncertainty that
4 presently exists to go item for item. We need to bring
5 these issues to closure. And so what I'd like to do is,
6 I'm not going to rule today. I've heard the issues.
7 We're going to do an order very quickly to resolve the
8 motion. But what I'd like -- particularly given the
9 comments of Ms. Caswell, and I'm sure the others probably
10 have the same concern, I'd like you to go back to your
11 principals, and let's really get this nailed down. Let's
12 be fairly clear that what we say we can do, we can really
13 do.

14 And if there are any questions about that -- and
15 reasonably enough, you can never be prophetic, but I'd
16 like to make sure we get these issues out in front. And
17 if there is a particular difficulty that we need to
18 address with regard to the model, then let's get some main
19 frame computer expert somewhere -- somebody used to make
20 main frame computers. AT&T, did you all make those? I
21 thought it was particularly ironic in this episode. But
22 anyway, let's find a computer guru somewhere and get them
23 fixed.

24 MS. RULE: Commissioner, I think as we heard
25 this morning, it's not really a computer problem.

1 BellSouth has proposed a model that is massive and complex
2 and we believe overall a good model, but like all new
3 models, and particularly one as massive and complex as
4 BellSouth's, it just takes time to work out. And some of
5 the problems were, once discovered, fairly easy to fix,
6 and that's why I think we're able to work and move forward
7 and on an amicable basis.

8 I would also like to let you know that assuming
9 that we can continue to work with BellSouth in this way,
10 AT&T does not propose to put on its own model, and that
11 would further shorten the case. So we think in this case
12 at least the continuance would help to simplify the issues
13 at the end.

14 COMMISSIONER JACOBS: Walter?

15 MR. D'HAESELEER: Commissioner, it needs to be
16 clear where we're coming from, the Staff's position. And
17 that is, if all the parties want us to do a thorough and
18 complete job on the tail end after we have heard the
19 testimony and the record is developed, we're just going to
20 need some time. And if we don't get the time, somebody is
21 going to be disappointed in the end product. And this is
22 one of the most important cases we're going to have this
23 year, so it has to be done right. And, therefore, Staff,
24 really, we need the time. And we're not trying to cry or
25 anything else. We're just telling you the facts the way

1 they are.

2 COMMISSIONER JACOBS: Do you anticipate given --
3 once we -- you understand the proposal now. Do you
4 anticipate that it would not give you the time that you
5 need?

6 MR. D'HAESELEER: The schedule that we're
7 talking about is a February recommendation to the
8 Commission, and I'm telling you that's what really we need
9 to do a thorough and complete job because it is so
10 complex. It's not a simple matter.

11 COMMISSIONER JACOBS: Okay.

12 MR. MCGLOTHLIN: Well, that includes a decision
13 and a special conference then in February, right?

14 MR. D'HAESELEER: Right.

15 COMMISSIONER JACOBS: Right.

16 MR. MCGLOTHLIN: Commissioner? Someone else --

17 COMMISSIONER JACOBS: You can go ahead, and then
18 Mr. Melson after you.

19 MR. MCGLOTHLIN: I think it might be a good time
20 just to stress the amount of give and take that has gone
21 into this potential workout. I think that the parties
22 understand very well Staff's situation and try to respond
23 to that by, first of all, agreeing to carve out those
24 issues that could be addressed in the July hearing to
25 reduce the size of the tasks that results from combining

1 the others with the September work to be done.

2 And also, it was a priority of some of the
3 intervenors to try to get the results before the calendar
4 year is over, and there was some give on that so that the
5 Staff's needs were a manageable task in September and the
6 time needed to give us a recommendation were addressed.

7 Also, GTE had some concerns about the impact on
8 GTE's discovery ability if we were to go forward in July,
9 and a way was found to agree to some expedited turnarounds
10 on discovery there. So I think this potential solution is
11 a result of a very real compromise by numerous parties,
12 and the only missing ingredient that we can see at this
13 point absent Ms. Caswell's need to get final clearance
14 would be to find the hearing dates in September.

15 And so I think those of us here at the table
16 respectfully urge the Prehearing Officer to see if that
17 can be managed as the way to address the very real
18 problems that have arisen in this case.

19 COMMISSIONER JACOBS: Okay. Mr. Melson?

20 MR. MELSON: Commission Jacobs, you mentioned a
21 main frame. What I learned this morning in sitting
22 through the technical workshop is that to run a complete
23 scenario through the BellSouth cost model takes about
24 30 hours or three to four workdays. To run a sensitivity
25 completely through takes about a day. And so one

1 reason -- I think when the schedule was originally
2 developed, nobody understood the potential complexity of
3 this model and the amount of time it was going to take to
4 run even on a very fast computer. And faced with the
5 reality of what it takes, we've tried to compromise on a
6 schedule that gets the information to you as quickly as we
7 can.

8 MS. RULE: Commissioner, this is Marsha Rule.
9 If I was unclear, I apologize. The compromise includes
10 the Staff's time. Nobody is arguing that Staff should be
11 backing their time up to make a decision earlier than
12 February. We recognize that the very same complexity that
13 causes us to need more time causes Staff to need plenty of
14 time to make a decision and a recommendation.

15 COMMISSIONER JACOBS: It sounds like the
16 schedule needs a drop-dead date for you guys. In terms of
17 the hearing, there needs to be a date certain in order for
18 you to come up with an analysis by February the 19th. Did
19 I hear you saying that?

20 MR. D'HAESELEER: No, it would be more than
21 that. We would have our recommendation; then we would
22 have the special agenda sometime in February.

23 COMMISSIONER JACOBS: Right, but I'm saying what
24 I hear you saying is that you -- in order to be ready in
25 February, there is some lead time that is absolute for

1 you.

2 MR. D'HAESELEER: Right. And we agree with the
3 September hearings.

4 COMMISSIONER JACOBS: Okay.

5 MR. D'HAESELEER: And if those are held in
6 September, that would -- and then we have until February
7 or pretty close to it, that will give us the lead time we
8 need.

9 COMMISSIONER JACOBS: Okay.

10 MS. CALDWELL: Commissioner, we have built those
11 times in already.

12 COMMISSIONER JACOBS: Okay. Very well. Okay.
13 As I indicated, we'll be doing an order very quickly.
14 Again, to the extent that you have -- that there's any
15 questions or concerns that may arise, please bring those
16 to the attention of Staff as soon as possible. And if
17 need be, we'll have a conference call to resolve those,
18 but we'll come up with an order that has dates. Should
19 that be the case, they are going to be pretty hard and
20 fast.

21 MS. CASWELL: Yes. Commissioner Jacobs, I would
22 just like until perhaps the end of Monday to get back with
23 Staff as to whether the proposal is acceptable to GTE. I
24 just want to avoid having an order be issued before we've
25 come to agreement within the company on whether this is

1 okay.

2 COMMISSIONER JACOBS: I don't think it would be
3 before Monday.

4 MS. CASWELL: Okay.

5 MR. MCGLOTHLIN: Commissioner, in our huddle we
6 developed a complete time frame, including the testimony
7 dates that would be acceptable to the group in the event
8 that September dates are found. Would you like for the
9 group to submit on a piece of paper what the entire
10 outline would be?

11 COMMISSIONER JACOBS: If that helps to Staff. I
12 don't need to, but if you guys want to have that formally
13 committed, then that's fine with me. What I hear is that
14 we're looking for at least, what is it, six days in
15 September?

16 MR. D'HAESELEER: Commissioner, could we call
17 about a five-minute break and let us talk to you a minute?

18 COMMISSIONER JACOBS: Okay. We'll recess for
19 five minutes.

20 (Brief recess.)

21 COMMISSIONER JACOBS: Suffice it to say that the
22 effort to find Commissioners' time is as difficult as
23 resolving this docket. So we've not confirmed that the
24 13th through the 15th would be available. It looks like
25 we won't be able to get those dates. I'm, however, very

1 hopeful that we can get two other dates, and my preference
2 would be the 11th and the 12th of September. We have one
3 Commissioner presently who we need to confirm with that,
4 but right now, we're going to shoot for the 11th and the
5 12th, and the 20th through the 22nd.

6 Now, that's going to -- that for this docket is
7 going to be very tight. We're going to be here late every
8 night. You can expect that. Unless, of course, you guys
9 will have made significant headway by that time.

10 So for the moment let's proceed with those
11 dates. Again, the 11th and the 12th being tentative dates
12 for the moment. Everything else, however, I'd like for
13 you to get back with Staff by the first of next week to
14 confirm the proposed schedule that you have in place now
15 for the preliminary up to the hearing. Great. Is there
16 anything else that we need to --

17 MS. CALDWELL: Commissioner, I think that the
18 intent then is that we not hold the depreciation, cost of
19 capital, and taxes. All of that, too, would be rolled
20 into the September time frame --

21 COMMISSIONER JACOBS: No, no, no, no. No, I
22 think we still schedule those for July. I thought that
23 was -- that was my intent, that we still carry that
24 forward for July. I mean, it's going to be tight enough
25 as it is.

1 MR. ROSS: I think that was the proposal for
2 the -- the industry felt that that was the best way to do
3 it.

4 COMMISSIONER JACOBS: Now, here's the thing,
5 Staff is going to have a problem getting enough time to do
6 the analysis on this. I can't imagine that on that
7 testimony that we couldn't afford some flexibility to
8 them. And when I say that, I mean that the industry could
9 get their input in as quickly as possible and perhaps even
10 advance the schedule now that we know what the issues will
11 be.

12 If you can look at this time line and advance it
13 in any way possible so that we can give Staff some
14 flexibility on the back end to do the analysis that it
15 needs, I would highly, highly recommend that.

16 MR. ROSS: Commissioner Jacobs, just one
17 question. I don't think that -- I'm not sure what the
18 Staff issue is. We were not necessarily envisioning a
19 separate Staff rec on cost of capital, depreciation. We
20 just thought we would get the testimony in, get that part
21 of the hearing done, and if the Staff wants to do one rec
22 at the end of all the proceedings, that was fine with us,
23 I believe.

24 COMMISSIONER JACOBS: I think primarily this is
25 to prepare cross. Or is it in anticipation -- has

1 Staff -- let me ask first one question. Are you
2 anticipating doing a separate recommendation for these
3 issues that we'll hear in July?

4 MS. LEE: No, sir.

5 COMMISSIONER JACOBS: Okay. So this is
6 primarily a matter of preparing your cross-examination for
7 hearing, the time to prepare that.

8 MS. LEE: Yes.

9 COMMISSIONER JACOBS: Okay.

10 MR. McGLOTHLIN: Commissioner Jacobs, there are
11 currently five days set aside. If you assume that those
12 issues are unlikely to take more than two days and you
13 took the last days that week, that would give at least a
14 few additional days of the first part of that week for
15 people to finalize their cross and so forth.

16 COMMISSIONER JACOBS: I think that will work,
17 but again, I think as much flexibility as early would be
18 better.

19 MR. ROSS: The schedule we propose only pushes
20 the deadline by one week. So it should -- the testimony
21 is supposed to be filed on the 1st, and now it's going to,
22 under our proposal, be filed on the 8th. So I think Staff
23 should -- hopefully will be able to work with that.

24 MS. CASWELL: Commissioner, just one thing I'd
25 like to point out. If Staff would prefer to move

1 everything to September and not have any issues heard in
2 July, we would be amenable to that solution, GTE. I think
3 the other parties would oppose it, but if that's Staff's
4 preference, we're willing to go with that as well.

5 COMMISSIONER JACOBS: I'm not.

6 MS. CALDWELL: Our preference --

7 COMMISSIONER JACOBS: The only --

8 MS. CALDWELL: Commissioner?

9 COMMISSIONER JACOBS: I'm sorry. Who was that I
10 was hearing?

11 MS. CALDWELL: I'm sorry. Diana Caldwell. I
12 think it's Staff's -- Staff would just as soon have the
13 depreciation, cost of capital, and taxes, we could go with
14 that also being heard in the September time frame.

15 COMMISSIONER JACOBS: I understand.

16 MS. CALDWELL: We don't have a problem with
17 that.

18 COMMISSIONER JACOBS: I understand; however, I'm
19 not prepared to do that. And the reason I am is that I'm
20 hearing there are 68 issues across these companies that
21 are to be heard. Unless I begin to see some stipulation
22 on some issues, I'm not putting off anything that we have
23 the time to do now.

24 Now, that would give me some comfort if there
25 were some issues that would begin to fall out, but given

1 that we have to address the complexity of the discussion
2 that we have to deal with across that number of issues, we
3 have to dig in now. I would prefer to have more, but
4 given that we are where we are, we'll proceed.

5 And what I would -- well, let me ask this of
6 Staff. Get with the parties and get clear about what the
7 schedule proposes for the July hearing, and then if you
8 need more flexibility, let's talk about that and see what
9 we can do about that. But I will be highly uncomfortable
10 with pushing all of these issues off in what looks like
11 now would probably only be a five-day hearing.

12 MR. D'HAESELEER: Commissioner, maybe the Staff
13 needs to talk in view of this direction if there are
14 additional issues that can be identified and taken care of
15 or disposed of or whatever in the July time frame rather
16 than September. I know they had some discussion this
17 morning, but they didn't have your viewpoint.

18 Now, in view of the direction that you want to
19 take, maybe we need to sit down with the parties and see
20 if there are additional issues that we can hear in the
21 time frame. Maybe if you gave us a half hour? Or do
22 you --

23 COMMISSIONER JACOBS: I'd -- let me take this
24 approach. We're going to do an order on Monday, right?
25 Why don't you just take the whole weekend? Sit on it,

1 give that some thought. I'll review the order that you
2 come up with, the proposed order that Staff comes up with,
3 and then we'll go from there. The resolution of this
4 should be whatever -- how you want to resolve this should
5 be clearly stated in that order resolving the continuance.
6 Is that adequate?

7 MR. D'HAESELEER: That will do.

8 COMMISSIONER JACOBS: Okay. I would think that
9 sitting around today that we already know their concerns
10 about, you know, what we've talked about today. Let's
11 kind of -- let's give it some time, and give it some
12 clarity and thought, and then we'll go from there.

13 Anyone else? Very well. If there's nothing
14 else, then this proceeding is adjourned. Thank you.

15 (Oral argument concluded at 2:23 p.m.)

16 - - - - -

17

18

19

20

21

22

23

24

25

1 STATE OF FLORIDA)

2 : CERTIFICATE OF REPORTER

3 COUNTY OF LEON)

4

5 I, TRICIA DeMARTE, Official FPSC Commission Reporter, do
6 hereby certify that the hearing in Docket No. 990649-TP
7 was heard by Commissioner E. Leon Jacobs, Jr., Prehearing
8 Officer at the time and place herein stated.

9 It is further certified that I stenographically
10 reported the said proceedings; that the same has been
11 transcribed under my direct supervision; and that this
12 transcript, consisting of 25 pages, constitutes a true
13 transcription of my notes of said proceedings.

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

19 DATED this 8th day of June, 2000.

20

21

Tricia DeMarte

22

TRICIA DeMARTE
FPSC Official Commission Reporter
(850) 413-6736

23

24

25

FLORIDA PUBLIC SERVICE COMMISSION

003897