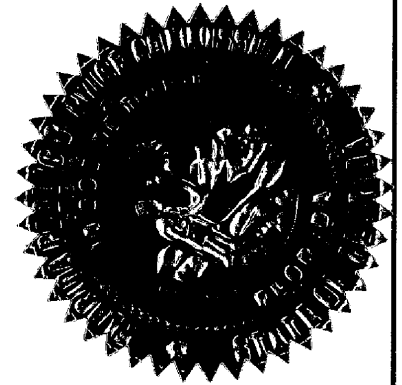


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 050551-TP

In the Matter of:

JOINT APPLICATION FOR APPROVAL OF
TRANSFER OF CONTROL OF SPRINT-FLORIDA,
INCORPORATED, HOLDER OF ILEC CERTIFICATE
NO. 22, AND SPRINT PAYPHONE SERVICES,
INC., HOLDER OF PATS CERTIFICATE NO. 3822,
FROM SPRINT NEXTEL CORPORATION TO LTD
HOLDING COMPANY, AND FOR ACKNOWLEDGMENT
OF TRANSFER OF CONTROL OF SPRINT LONG
DISTANCE, INC., HOLDER OF IXC REGISTRATION
NO. TK001, FROM SPRINT NEXTEL CORPORATION
TO LTD HOLDING COMPANY.



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PROCEEDINGS: AGENDA CONFERENCE
ITEM NO. 3

BEFORE: CHAIRMAN RUDOLPH "RUDY" BRADLEY
COMMISSIONER J. TERRY DEASON
COMMISSIONER LISA POLAK EDGAR
COMMISSIONER ISILIO ARRIAGA

DATE: Tuesday, December 20, 2005

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

REPORTED BY: JANE FAUROT, RPR
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FLORIDA PUBLIC SERVICE COMMISSION

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1 PARTICIPATING:

2 JEFFREY WAHLEN, ESQUIRE, representing Sprint Long
3 Distance, Inc..

4 MARTIN FRIEDMAN, ESQUIRE, representing Communications
5 Workers of America.

6 SUSAN MASTERTON, ESQUIRE, representing
7 Sprint-Florida, Incorporated/Sprint Nextel.

8 KIRA SCOTT, ESQUIRE, RICK MOSES, BETH SALAK, and
9 ANDREW MAUREY, representing the Florida Public Service
10 Commission Staff.

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P R O C E E D I N G S

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2 CHAIRMAN BRADLEY: The next item is Item 3.

3 MS. SCOTT: Good morning, Commissioners. Kira Scott
4 on behalf of staff. Before introducing Item 3, staff needs to
5 make an oral modification to its revised recommendation. On
6 Page 13, under Section D, entitled procedural outcomes, the
7 first paragraph, a certain portion of that sentence needs to be
8 stricken. "May adopt original PAA order as its final and
9 effective with the modifications as set out in staff's
10 analysis," that stricken language should be replaced with, "May
11 adopt the original PAA order as a final order."

12 Just for clarification, I will read the sentence in
13 its entirety. "If the Commission agrees with staff's findings
14 and assessment of Sprint's financial viability in that the
15 spin-off will be in the public interest, then the Commission
16 may adopt the original PAA order as a final order."

17 Commissioners, Item 3 is staff's revised
18 recommendation. This item was deferred from the December 6th
19 agenda conference. The revised recommendation contains staff's
20 analysis of Sprint's financial viability and addresses the
21 concerns raised by the Commissioners at that particular agenda.

22 There are two main issues. The first is whether
23 Sprint's motion to dismiss should be granted. Staff believes
24 that it should be granted because CWA has failed to allege
25 standing under the Agrico test. The second issue is whether

1 the original PAA order, PSC-0985-PAA-TP, approving the transfer
2 of control should be reconsidered. Staff is recommending that
3 it should not be reconsidered and that it should be adopted as
4 a final order.

5 After reviewing the financial documents, staff
6 believes that the spin-off would not be contrary to the public
7 interest. Staff is available for questions, as is Susan
8 Masterton of Sprint and Martin Friedman representing CWA.

9 CHAIRMAN BRADLEY: Okay. As staff just stated, this
10 is an item that we had a very lengthy discussion on a short
11 time ago. What would be your pleasure, Commissioners, in terms
12 of how we move along?

13 COMMISSIONER DEASON: Well, let me ask this question.
14 I know that staff said that the parties are here and that they
15 can answer questions. Is that the scope of their participation
16 at this point is answering questions, or is that at our
17 discretion to allow further participation?

18 MS. SCOTT: That's at your discretion. If you are
19 alluding to maybe allowing them to speak, or --

20 COMMISSIONER DEASON: I didn't know -- I know they
21 came up here, and maybe they were anticipating that
22 opportunity. I'm not saying that we should or should not, I'm
23 just curious as to what the correct protocol would be at this
24 point, or if it is just something within our discretion.

25 MS. SCOTT: It is within your discretion if you would

1 like them to speak or ask them whether or not they want to
2 speak. I'm not sure, they haven't indicated to me whether or
3 not they want to.

4 MR. FRIEDMAN: Commissioners, I certainly have a few
5 comments I would like to make.

6 CHAIRMAN BRADLEY: Well --

7 COMMISSIONER DEASON: Mr. Chairman, I just wanted to
8 see what the discretion was. I know that we entertained the
9 equivalent of oral argument, if you want to call it that, I
10 think, at the last meeting, which was helpful to me. I think
11 it would be beneficial to hear from the parties on this revised
12 recommendation as well, but obviously, Mr. Chairman, that is
13 within your discretion and I will abide by that whatever you
14 wish as the most appropriate.

15 CHAIRMAN BRADLEY: Well, I just wouldn't want to have
16 a situation where we rehash all of the discussion that was held
17 the last time we discussed this -- well, this item was before
18 us. And when I asked what your pleasure is, I had more in
19 mind -- one of the issues that we ended with was that staff was
20 going to provide us with some information as it relates to, I
21 think, the financial status or the situation of -- explain to
22 me where we were exactly as it relates to the financial
23 discussion. Because the first item, the first issue deals with
24 the dismissal of the petition.

25 MS. SCOTT: Correct, Chairman.

1 CHAIRMAN BRADLEY: And I think where we ended, we had
2 not decided if we should dismiss the petition because there was
3 some, I think, some concern as to some financial matters.

4 COMMISSIONER DEASON: Yes, Mr. Chairman, that was my
5 concern. I mean, we had a PAA order that was out there, there
6 had been a protest by CWA, and there was a question about their
7 standing. But there also was even acknowledged within staff's
8 recommendation that there were some questions concerning the
9 financial aspects of the spin-off and the viability of the
10 going concern that resulted. So, yes, you are correct, and I
11 think that is where we left it. I think that we requested
12 staff with the cooperation of the parties to make a more
13 in-depth review of the financial circumstances of that spin-off
14 so that they could be better informed in giving us a
15 recommendation on that. I think we have that in front of us
16 now.

17 CHAIRMAN BRADLEY: Okay. Right. But the docket
18 itself, initially that is before us, was designed to deal with
19 the standing of -- CWA's standing, and I was just trying to
20 figure out how you all would like to proceed as it relates to
21 that.

22 COMMISSIONER DEASON: I don't think anything has
23 changed in regard to that from the first discussion, the
24 standing issue. The further analysis had nothing to do with
25 standing. So I certainly would not want to entertain any more

1 discussion concerning that. I think that the previous
2 discussion we had was more than adequate. I was just really --
3 if there were some more discussion to be had on the further
4 review and analysis on the financial implications that it may
5 be helpful to entertain some limited comments in that regard.
6 That was my only concern, Mr. Chairman.

7 CHAIRMAN BRADLEY: What's your pleasure,
8 Commissioners?

9 COMMISSIONER ARRIAGA: I just wanted to ask,
10 Commissioner Deason, what you are saying, if I interpret
11 correctly, is let's dispose of the standing issue and then go
12 into the second part, which is whether our final order stands
13 based on the financial situation and the public interest?

14 COMMISSIONER DEASON: Actually I was hoping to be
15 able to just at least have input concerning the further
16 financial review, and then we would just deal with the issues
17 later. But I'm not opposed to dealing with the motion to
18 dismiss first, if that's the --

19 COMMISSIONER ARRIAGA: It doesn't matter to me,
20 either. Are we going to allow participation from the companies
21 and the intervenors and all of that?

22 CHAIRMAN BRADLEY: I tell you what, why don't we deal
23 with Issue 1 first, and then we will take the other matter up.

24 COMMISSIONER ARRIAGA: Mr. Chairman, I'm sorry, the
25 briefs?

1 CHAIRMAN BRADLEY: The issue of standing.

2 COMMISSIONER ARRIAGA: Okay. Even if we go that way,
3 which is fine with me, are we going to allow participation from
4 the public?

5 CHAIRMAN BRADLEY: That's at your pleasure, whatever
6 you all decide.

7 COMMISSIONER DEASON: I don't think it's necessary to
8 have further participation on that issue. I think we had
9 adequate discussion on that at the previous --

10 CHAIRMAN BRADLEY: Not as it relates to Issue 1, no.

11 COMMISSIONER DEASON: That is my opinion.

12 CHAIRMAN BRADLEY: We can allow participation as it
13 relates to the discussion that we ended with.

14 COMMISSIONER ARRIAGA: Fine with me.

15 COMMISSIONER EDGAR: Mr. Chairman, if it is your
16 pleasure and if it is the right time, I can make a motion on
17 Issue 1 and when we come to Issue 2, I do have some questions
18 of staff.

19 CHAIRMAN BRADLEY: Okay.

20 COMMISSIONER EDGAR: In that case, I would like to
21 make the motion on Issue 1 that we adopt the staff
22 recommendation.

23 COMMISSIONER ARRIAGA: I second it.

24 CHAIRMAN BRADLEY: There is a motion and a second.
25 All in favor say aye. Aye.

1 COMMISSIONER ARRIAGA: Aye.

2 COMMISSIONER EDGAR: Aye.

3 CHAIRMAN BRADLEY: Opposed?

4 COMMISSIONER DEASON: Nay. Mr. Chairman, I'm going
5 to vote in the negative on that. I think that there are
6 certainly very viable and accurate arguments on both sides, and
7 I think staff has done a superb job in their recommendation on
8 this. It is just that a motion to dismiss is a -- well, I
9 think there is a high standard there, and I'm just not
10 convinced that CWA does not have standing. And for that
11 reason, I would at least give them that opportunity, so my vote
12 is in the negative on Issue 1.

13 CHAIRMAN BRADLEY: Okay. Issue 2, the motion for
14 reconsideration.

15 MS. SCOTT: Actually, Chairman, the second issue is
16 kind of -- it came out of the concerns raised at the December
17 6th agenda, and it's whether or not the Commission should
18 reconsider the PAA order. It's not a motion for
19 reconsideration.

20 CHAIRMAN BRADLEY: Okay, I'm sorry.

21 MS. SCOTT: The staff analysis addresses the
22 financial viability based on the review of the documents
23 provided by Sprint with cooperation from CWA. I think that Mr.
24 Maurey can aid in any concerns or questions you have.

25 COMMISSIONER DEASON: Mr. Chairman, it would be

1 helpful if staff could just describe briefly the exercise they
2 went through, what information was reviewed, and the result of
3 that review, I think it would be helpful for further
4 discussion.

5 CHAIRMAN BRADLEY: Okay. And it's my understanding
6 that Issue 2 gets to the heart of what the primary concern was
7 as it relates to the discussion that we had previously, and
8 that is the financial matter. Who wants to --

9 COMMISSIONER DEASON: I think Mr. Maurey probably
10 could do that.

11 MR. MAUREY: Andrew Maurey, Commission staff.
12 Commissioners, staff made several visits to Sprint's office,
13 looked over numerous documents, most of which is of a
14 confidential nature. So we did not go into detail in our
15 recommendation. But based on that review, staff believes that
16 the allocation of the debt and assets in this spin-off were
17 reasonable and have recommended that the transaction is in the
18 public interest.

19 CHAIRMAN BRADLEY: Any questions of Mr. Maurey?

20 COMMISSIONER DEASON: I have some questions at some
21 point. I think Commissioner Edgar does, as well.

22 CHAIRMAN BRADLEY: Commissioner Edgar, would you like
23 to --

24 COMMISSIONER EDGAR: Actually, I have a question on
25 another point. If it is all right with you, Commissioner

1 Deason, let me get this out of the way and then we can pursue
2 in more detail the issues that you had raised.

3 On Page 13 of the item before us, there is a
4 discussion of some concerns about service quality, a docket
5 being opened or established recently, and about a commitment
6 letter. And I would like a little more information about the
7 concerns regarding service quality, and also the steps that
8 will be taken to look into those, and what this docket that has
9 been open is and what will be coming to us here in the near
10 future.

11 MR. MOSES: Commissioners, we met with Sprint after
12 hearing your concerns on the service quality and they have
13 filed a commitment letter which we decided would be best
14 handled in a separate docket so this proceeding could continue
15 on. We are going to file the recommendation for that tomorrow,
16 it is for your review on the January 5th agenda conference.

17 Basically, what Sprint has committed to is clearing
18 90 percent of the out-of-service troubles within 24 hours
19 statewide, and also they have committed on installations to
20 give the consumer a five-day window as the starting point for
21 negotiated installations. We think that will improve the
22 service quality considerably.

23 CHAIRMAN BRADLEY: Commissioner Deason.

24 COMMISSIONER DEASON: Yes. And I appreciate staff's
25 further review, and I know that it is their recommendation or

1 their conclusion that there is no material change to
2 Sprint-Florida's balance sheet, minimal impact on its income
3 statement, and believes that the allocation of assets and
4 liabilities appear reasonable. And I appreciate that.

5 I guess my overarching concern is that I did not
6 want the spin-off to result in a situation where the resulting
7 local service company, for lack of a better term, was somehow
8 hampered in its ability to continue to provide quality service,
9 and that there was some inherent advantage being derived for
10 the entities that, for lack of a better term, were providing
11 more of the services that are more competitive.

12 I know we have competition across various segments of
13 business in telecommunications, but some segments are more
14 competitive than others. And I did not want it to be a result
15 that the more competitive side of the business was getting an
16 advantage at the expense of the local service company. And I
17 take it from staff's review that you do not feel that there is
18 some inherent bias or advantage or disadvantage to one industry
19 segment versus the other, is that correct?

20 MR. MAUREY: That's correct.

21 CHAIRMAN BRADLEY: Mr. Arriaga.

22 COMMISSIONER ARRIAGA: Did Commissioner Edgar have
23 anything, because I think -- okay.

24 I think you indicate on Page 9 specifically that the
25 Commission is not specifically authorized to review an ILEC's

1 capital structure. And in the same paragraph at the end you
2 say that the Commission can reject an application for transfer
3 of control if after reviewing the relevant information it finds
4 the transaction would not be in the public interest.

5 Would you consider that capital structure, a
6 deficient capital structure would be a reason to worry about
7 public interest? Isn't capital structure, per se, such an
8 important issue that it would call your attention in regards to
9 caring for public interest?

10 MS. SCOTT: Commissioner Arriaga, I think that is a
11 good point. I think what staff meant by that particular
12 passage that you read is that there is nothing specific we
13 stated in the statute as to what the Commissioners look at in
14 their reviewing an application for a transfer of control.
15 There is nothing specific. And an example given was the
16 capital structure of a particular entity.

17 I have to admit, I do not know what staff looks at
18 specifically when recommending approval of a transfer of
19 control, but I think what was going into this was that there is
20 nothing specific in the statute to really give the
21 Commissioners guidance. The relevant information, I think, was
22 just alluding to whatever it is that staff actually takes into
23 consideration in their recommendation, and I'm not actually
24 sure what is looked at.

25 CHAIRMAN BRADLEY: Has staff reviewed the capital

1 structure?

2 MR. MAUREY: Yes, sir. We looked at the capital
3 structure for LTD Holding Company, the new parent, also
4 Sprint-Florida, the existing operating company, and the capital
5 structures for Sprint Nextel Corporation after the separation
6 and Sprint Corporation prior to the merger.

7 COMMISSIONER ARRIAGA: And what did you find?

8 MR. MAUREY: As counsel is trying to communicate, the
9 Commission doesn't have control over the capital structures of
10 all of these companies. They look at capital structure, it is
11 an important aspect of the business. They want them to be in a
12 reasonable range. Our review, staff's review of these capital
13 structures were that they were all within a reasonable range.
14 But there is no optimal capital structure for any particular
15 business. It is a range of reasonable mix of debt and equity
16 that minimizes the company's cost of capital.

17 COMMISSIONER ARRIAGA: Okay. I'm not trying to go
18 into whether we have authority or not, I'm trying to find out
19 from staff to pronounce yourselves so we can make decisions
20 whether this is a reasonable capital structure. Why did you
21 not state it in your recommendations? Is it a reasonable
22 capital structure? What is it? What did you find?

23 MR. MAUREY: We do believe it is a reasonable capital
24 structure. We are not permitted to articulate what it is
25 exactly because of confidentiality restrictions, but we did

1 review the capital structure and found it reasonable.

2 CHAIRMAN BRADLEY: Well, I think that the Commission
3 -- it's on Page 9 -- states that the Commission is not
4 specifically authorized to review an ILEC's capital structure
5 prior to approval of a transfer of control. Is that the issue?

6 COMMISSIONER ARRIAGA: No. The point here is we are
7 talking about an issue of public interest, and we were
8 discussing this two weeks ago, and I didn't find anybody giving
9 me a direct answer as to what is the capital structure of this
10 transfer. And, again, I am not arguing if we are authorized or
11 not, and I have my doubts to approve this or not, my issue is
12 is public interest harmed, or is it going to be harmed because
13 we did not carefully look at the capital structure of this
14 venture.

15 What if this company in the future fails? And I
16 don't want that to happen, of course not, but what if it
17 happens and somebody can point back to the Commission and say,
18 why didn't you look after public interest? Why didn't you care
19 about analyzing the capital structure of this venture? That's
20 what my worry is, and I need an answer.

21 MS. SALAK: Commissioner, if we could temporarily TP
22 this. Sprint is going to provide you with the capital
23 structure. We do not have a copy in-house, but Sprint will get
24 it for you. We will make copies and you can see the capital
25 structure yourself. Staff has reviewed it, and it is staff's

1 opinion that it is reasonable. But we will get you -- it is
2 confidential, so we can't tell you, but we will get copies and
3 you can view it for yourself, if that is all right with you.

4 COMMISSIONER ARRIAGA: Fine, and I appreciate that.
5 I just wanted you to say what you just said. You find it
6 reasonable because it is not so clearly stated, and you
7 recommend to the Commission that we approve this capital
8 structure because it does not harm public interest. That is
9 basically your recommendation. Whether we take it or not, I
10 understand, but I needed a recommendation from you from which
11 to pass it.

12 MS. SALAK: But we are getting those copies right
13 now.

14 COMMISSIONER ARRIAGA: Mr. Chairman, may I continue,
15 please?

16 CHAIRMAN BRADLEY: Uh-huh.

17 COMMISSIONER ARRIAGA: You also say that you have
18 reviewed the different assets and debt, you also find that
19 reasonable. Staff has reviewed the allocation of the assets
20 and debt in the spin-off and believe the allocation is
21 reasonable. What are those assets? What are those debts? Why
22 didn't we get to see them?

23 MR. MAUREY: Commissioner, with all due respect, all
24 of this information we are discussing here is of a confidential
25 nature. We are not permitted to reveal it within the document.

1 But, again, if Sprint is willing to accommodate you, they can
2 provide you with the exact information that staff looked at.
3 We did look at the debt and asset allocations.

4 COMMISSIONER ARRIAGA: Fine. I want to ask Mr.
5 Melson, if I may. How are we expected, Mr. Melson, to make
6 decisions if we are not able to analyze the information? Are
7 we expected to do that? Is that part of the job? And I'm
8 sorry about my ignorance, but I have been asked to decide on a
9 very important issue, I will make my point here, but I have
10 been told you are not allowed to see the information. I'm
11 going to see it at the last moment, at the 11th hour, important
12 financial information difficult to digest, and at the 11th I
13 have to make a decision on a bunch of numbers and very high
14 technically, financially technically information. So how do I
15 do that; how that is part of my job?

16 MR. MELSON: Commissioner, any time we are dealing
17 with confidential information there is a challenge as to the
18 best way to communicate it to you. If we were in a hearing
19 process, the necessary confidential information would be
20 entered into the record. It would maintain confidential status
21 in the context of a hearing you would have it in front of you.
22 In a situation like this for a PAA, to the extent there was
23 specific confidential information you felt you needed to see, I
24 would think there would be a way to work it out with the
25 company so that staff could have that information, could meet

1 with you prior to the agenda, in explaining the recommendation,
2 sit down and go through the documentation with you and give you
3 the opportunity, prior to being here today, to look at that.

4 Obviously, if you feel you need to have eyeballs on
5 that information, and don't have enough time today, an
6 alternative that's available to you would be to request
7 deferral, to have staff get that confidential information from
8 Sprint and review it with you, you know, in your office.

9 COMMISSIONER ARRIAGA: And I thank you. And I would
10 like to mention to the Commissioners that we are here in a very
11 difficult situation trying to make a decision on information
12 that we don't have at hand. And, fortunately, staff has
13 provided a procedural outcome number three, and we may decide
14 that we need to look into this a little further. I'm not
15 making a motion right now, but to ask us to go ahead and keep a
16 final order without the proper elements at hand, it's kind of
17 difficult, at least for me anyway. And I thank you for your
18 time.

19 CHAIRMAN BRADLEY: The Commissioner has asked some
20 questions, and I think there was a suggestion that this is
21 information Sprint could provide to staff in order for staff to
22 make a recommendation to us. Am I correct?

23 MS. MASTERTON: Well, I mean, actually I think Sprint
24 has provided the information to staff, and staff has reviewed
25 it. But it was confidential information, therefore it wasn't

1 filed or made, you know, publicly available. But we do have
2 the information here today. And I think Ms. Salak was saying,
3 that if the Commission desired, copies of that could be made
4 and distributed on a confidential basis to you all to look at.

5 CHAIRMAN BRADLEY: That would be fine with me, if
6 that would satisfy your concerns.

7 MS. SALAK: And, Commissioner Arriaga, if you wanted
8 to defer this, we can get the copies, get them to you, sit down
9 with you, go through them. However you want to handle that.
10 You can defer this to the 5th agenda, or whatever agenda you
11 would like.

12 COMMISSIONER ARRIAGA: That could be a step, and I
13 want to wait until the Commission talks a little here and see,
14 but what I am actually looking at is not your Recommendation
15 Number 3 about procedural outcomes. I don't know, I still have
16 to make up my mind, but I would love to listen to what other
17 opinions are.

18 CHAIRMAN BRADLEY: Let's talk a little bit about what
19 the Commission's responsibility is as it relates to transfers.
20 Who can give me an interpretation of that? Is that something
21 Legal maybe could --

22 MS. SCOTT: The authority under which the Commission
23 approves or disapproves transfers is under Section 364.33. I
24 had read it for Commissioner Deason at the December 6th agenda.
25 There is not much in that statutory provision that gives much

1 guidance to the Commission. However, in the recommendation, I
2 do feel, or staff believes that there is an implication that
3 the Commissioners look to whether or not it is in the public
4 interest. Of course, there is not much guidance there as to
5 whether or not or what is in the public interest, that is left
6 up to the interpretation of the particular administrative body.
7 I really think that this is just a really tough call because of
8 it being left up -- it is a judgment call.

9 CHAIRMAN BRADLEY: Well, we had a major discussion
10 the last time on this agenda about certain things being
11 speculative. In my opinion, speculative means that it could go
12 either way, and unless we allow it to occur, then we can never
13 deal with the issue of speculation.

14 I would be in favor of approving staff's
15 recommendation as it relates to Issue 2, because the
16 Commission, I think, gets the second bite at the apple when you
17 all deal with the issue of quality of service. Now, I think
18 that the concern maybe could be rolled into that agenda and
19 addressed at that time, but, you know, whatever your pleasure
20 is is fine with me.

21 COMMISSIONER DEASON: Mr. Chairman, first of all, let
22 me ask a question of staff, and then maybe we can discuss some
23 of our options. I understand the provision that I had you read
24 at the last agenda and that you just referenced is -- the term
25 public interest is one that is broad and it can be interpreted

1 in different ways. But wouldn't staff agree that if, and I
2 emphasize the term if, if it is determined that an entity as a
3 result of this transaction that is in front of us, that if an
4 entity is somehow financially weakened unnecessarily and that
5 that weakness is to the point that it could jeopardize the
6 provision of quality of service, that if that were a legitimate
7 concern that that would raise legitimate concerns about the
8 transfer being in the public interest?

9 MS. SCOTT: Correct. Staff agrees with that,
10 Commissioner.

11 COMMISSIONER DEASON: And that is what my concern is,
12 as well. And I appreciate the work staff has done, and in all
13 candor I was willing to move forward on Issue 2 based upon
14 staff's review and analysis. However, there has been some
15 expression by one Commissioner that he would like to review the
16 information for himself. I certainly respect that. I knew
17 that we were working under some very tight time constraints to
18 get this on the next agenda, and that staff was dutifully
19 working to accomplish that. But if we have the discretion and
20 the latitude to defer this to the 5th to give further
21 Commissioner review time with staff, specific review of the
22 financial information, I am certainly not opposed to that, Mr.
23 Chairman. And it may be beneficial for me to have further
24 review of it, as well, but I was willing to move forward on
25 Issue 2 today, just based upon my confidence in staff and their

1 ability to conduct that review under a very limited time frame.

2 COMMISSIONER EDGAR: Mr. Chairman.

3 CHAIRMAN BRADLEY: Yes.

4 COMMISSIONER EDGAR: Thank you. Not to go backwards,
5 but if I may just very briefly. The discussion that we had at
6 our last meeting, with all due respect to Commissioner Deason
7 and to CWA, I did agree with the analysis, our legal analysis
8 that the staff provided to us on the standing issue. However,
9 on the second point, at our last meeting there were some
10 questions raised in the narrative of the item, and Commissioner
11 Deason pointed that out, which I was especially appreciative
12 of. I, also, from the assurances that I have had from staff
13 over the past week and that we are getting again at the bench
14 today am able to move forward if the majority is comfortable
15 doing that. However, always if the time frame allows and
16 somebody needs additional time, I certainly want to do anything
17 that I can to help accommodate that, as well.

18 COMMISSIONER ARRIAGA: Mr. Chairman, I want to thank
19 the Commissioners for being so graceful, and I don't want to
20 hold up the proceeding. I think it is unnecessary, and I will
21 make a decision today. We may or may not agree, I don't know
22 yet, but I will proceed with the majority and make a decision
23 today. I don't want to hold it up. If you want to vote today,
24 I am ready and able to vote.

25 CHAIRMAN BRADLEY: Any more discussion as it relates

1 to Issue 2?

2 COMMISSIONER DEASON: Mr. Chairman, if there are no
3 further questions, I can -- and let me say, Commissioner
4 Arriaga, I appreciate your willingness to move forward, but I
5 don't want you to feel unnecessary pressure to do so, because I
6 think there is certainly willingness to defer to the 5th. But
7 I think it is really kind of up to you, but if you are willing
8 to go forward, I'm willing to make a motion.

9 COMMISSIONER ARRIAGA: Go ahead.

10 COMMISSIONER DEASON: Mr. Chairman, I would move
11 staff's recommendation on Issue 2.

12 COMMISSIONER ARRIAGA: On which?

13 COMMISSIONER DEASON: On Issue 2. I'm sorry, Issue 2
14 is the question of whether we should reconsider the previously
15 issued PAA order, and think it is staff's recommendation that
16 we just simply adopt the previously issued PAA order,
17 recognizing that there has been further review and recognizing
18 that there is going to be further consideration and more
19 information filed on the quality of service issue. So
20 recognizing all of that as part of the recommendation, I can
21 move staff.

22 CHAIRMAN BRADLEY: There is a motion. Is there a
23 second?

24 COMMISSIONER EDGAR: Mr. Chairman, I concur with the
25 comments of Commissioner Deason and second the motion.

1 CHAIRMAN BRADLEY: There is a motion and a second.
2 All those in favor say aye. Aye.

3 COMMISSIONER DEASON: Aye.

4 COMMISSIONER EDGAR: Aye.

5 CHAIRMAN BRADLEY: Opposed?

6 COMMISSIONER ARRIAGA: Nay. I said nay, Mr.
7 Chairman, because I have deep concerns about the financial
8 capital structure and the information that we had at hand. I
9 am not making a statement on whether the transfer is positive
10 or negative, I'm just saying that public interest is at hand,
11 it has been pointed out several times, and that is the reason
12 why I said nay. Thank you.

13 CHAIRMAN BRADLEY: Issue 3.

14 COMMISSIONER DEASON: I move staff on Issue 3, Mr.
15 Chairman.

16 CHAIRMAN BRADLEY: There is a motion. Is there a
17 second?

18 COMMISSIONER EDGAR: Second.

19 CHAIRMAN BRADLEY: There is a motion and a second.
20 All in favor say aye.

21 (Unanimous affirmative vote.)

22 CHAIRMAN BRADLEY: Opposed? The motion carries
23 unanimously.

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1 STATE OF FLORIDA)

2 : CERTIFICATE OF REPORTER

3 COUNTY OF LEON)

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I, JANE FAUROT, RPR, Chief, Office of Hearing Reporter Services, FPSC Division of Commission Clerk and Administrative Services, 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' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 23rd day of December, 2005.

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JANE FAUROT, RPR
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FPSC Division of Commission Clerk and
Administrative Services
(850) 413-6732

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