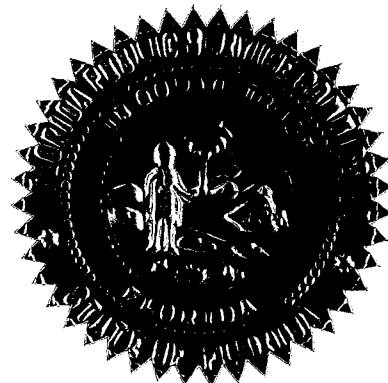


BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 060598-TL

In the Matter of:

PETITION TO RECOVER 2005 TROPICAL SYSTEM  
RELATED COSTS AND EXPENSES, BY BELLSOUTH  
TELECOMMUNICATIONS, INC.



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PROCEEDINGS: FT. LAUDERDALE SERVICE HEARING

BEFORE: CHAIRMAN LISA POLAK EDGAR  
COMMISSIONER J. TERRY DEASON  
COMMISSIONER ISILIO ARRIAGA  
COMMISSIONER MATTHEW M. CARTER, II  
COMMISSIONER KATRINA J. TEW

DATE: Wednesday, November 29, 2006

TIME: Commenced at 5:00 p.m.  
Concluded at 6:35 p.m.

PLACE: Broward County Commission Chambers  
Room 422  
115 S. Andrews Avenue  
Ft. Lauderdale, Florida

REPORTED BY: JANE FAUROT, RPR  
Official FPSC Reporter  
(850) 413-6732

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## 1 PARTICIPATING:

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3 Telecommunications, Inc., c/o Ms. Nancy H. Sims, 150 South  
4 Monroe Street, Suite 400, Tallahassee, Florida 32303-1556,  
5 appearing on behalf of BellSouth Telecommunications, Inc.

6 CHARLIE BECK, ESQUIRE, Office of Public Counsel, c/o  
7 The Florida Legislature, 111 W. Madison Street, Room 812,  
8 Tallahassee, Florida 32399-1400, appearing on behalf of the  
9 Citizens of the State of Florida.

10 ADAM TEITZMAN, ESQUIRE, LEE ENG TAN, ESQUIRE, FPSC  
11 General Counsel's Office, 2540 Shumard Oak Boulevard,  
12 Tallahassee, Florida 32399-0850, appearing on behalf of the  
13 Florida Public Service Commission Staff.

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## I N D E X

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(No Exhibits)

## P R O C E E D I N G S

1  
2 CHAIRMAN EDGAR: Good evening. Good afternoon.

3 COMMISSIONER CARTER: Good afternoon.

4 CHAIRMAN EDGAR: I will call this service hearing to  
5 order. My name is Lisa Edgar and I serve as the Chairman of  
6 the Florida Public Service Commission. With me today are my  
7 colleagues, Commissioner Matthew Carter, Commissioner Terry  
8 Deason, Commissioner Isilio Arriaga, and Commissioner Katrina  
9 Tew.

10 And I would like to ask our staff counsel to read the  
11 notice.

12 MR. TEITZMAN: By notice issued October 10th, 2006,  
13 this time and place has been set for a customer hearing in  
14 Docket Number 060598-TL. The purpose is as set forth in the  
15 notice.

16 CHAIRMAN EDGAR: Thank you, Mr. Teitzman. We have  
17 come to Fort Lauderdale today because we very much want to hear  
18 from customers, from consumers in this area. We would like to  
19 hear from you about your thoughts and concerns, if you have  
20 any, and we thank you for your interest and for your  
21 participation in our process.

22 We have members of our staff here, and I know that  
23 BellSouth also has staff here that can also answer questions.  
24 I would like to go ahead and introduce the Public Service  
25 Commission staff. Ms. Beth Salak to my left; Mr. Rick Moses,

1 who is in the back and is with staff and to help answer  
2 questions; Mr. Adam Teitzman, our counsel here at the front;  
3 Ms. Lee Eng Tan, counsel in the back; Todd Brown and Thelma  
4 Crump, who I believe are out at the entry way; and our court  
5 reporter, Jane Faurot.

6 This is an official hearing. It will be transcribed  
7 and will become a part of the official record of our  
8 proceedings. As such, when you come to the podium to speak, we  
9 would like to ask you to state your name and to let us know if  
10 you are a BellSouth customer. Your comments will be subject to  
11 questions from the parties, and prior to your coming forward to  
12 speak, we will swear you in as a group.

13 I hope you all saw the speaker sign-up forms out by  
14 the door. We will be calling people, or the Office of Public  
15 Counsel will be calling people in order from the sign-up  
16 sheets. So if you haven't signed up, please step out and do  
17 so, so that we can call you in order.

18 If you would prefer not to make public comments at  
19 this time, although we hope that you will, but there are blue  
20 sheets out by the sign-up sheet, they look like this, and there  
21 is the opportunity for you to fill them out, put down your  
22 written comments and either hand them to our staff, or you can  
23 mail them in and those comments will also become a part of the  
24 record of these proceedings.

25 Next I'd like to ask the attorneys for the parties to

1 make appearances.

2 MR. BECK: Thank you, Madam Chairman. My name is  
3 Charlie Beck, I'm with the Office of Public Counsel.

4 MR. MEZA: Thank you, Madam Chairman. Jim Meza on  
5 behalf of BellSouth.

6 CHAIRMAN EDGAR: Okay. And, Mr. Meza, you can stay  
7 right there, I think. And we will go ahead and hear statements  
8 from each of these gentlemen.

9 Before I do that, Mr. Teitzman, would you like to go  
10 on the record again?

11 MR. TEITZMAN: Sure. Adam Teitzman on behalf of the  
12 Florida Public Service Commission.

13 CHAIRMAN EDGAR: Thank you. And, Mr. Meza, I will  
14 hear from you, and then Mr. Beck, and then we will swear in our  
15 customers.

16 Mr. Meza.

17 MR. MEZA: Thank you, Madam Chairman, Commissioners.  
18 It is a pleasure to be before you again.

19 My name is Jim Meza. I'm general counsel for  
20 BellSouth here in Florida, and we are here today to address  
21 whatever questions you may have or whatever questions our  
22 customers may have regarding BellSouth's petition that it filed  
23 in September of this year to recover a percentage of its costs,  
24 expenses associated with repairing its network and facilities  
25 as a result of the 2005 hurricane season.

1           And as you know, six named tropical storms or systems  
2 affected BellSouth's footprint, including Broward County with  
3 Hurricane Wilma. As a result of those storms, BellSouth  
4 experienced approximately \$202 million in incremental damages.  
5 And based upon the guidance that you provided in other storm  
6 recovery cases, as well as OPC's analysis of those cases,  
7 BellSouth is only seeking to recover the incremental intrastate  
8 portion of that \$202 million, so we've excluded capital costs.  
9 We reduced the amount by the interstate portion associated with  
10 those charges, and we are left with what we believe to be about  
11 \$95 million in recoverable expenses.

12           Because the law only allows us to recover 50 cents a  
13 line, the maximum amount that we believe that we are entitled  
14 to under the law to collect is approximately 32 to \$34 million  
15 depending upon the line counts that are used. That represents  
16 approximately 16 to 17 percent of the total costs that  
17 BellSouth experienced in restoring its network to its customers  
18 and to all Florida consumers in its footprint. Consistent with  
19 the purpose of this meeting, we are here to answer any  
20 questions, and hopefully we will be able to address any  
21 concerns you have. Thank you.

22           CHAIRMAN EDGAR: Thank you. Mr. Beck.

23           MR. BECK: Thank you, Madam Chairman.

24           Good evening everybody, and thank you for coming out  
25 this evening. There is only one more day left in the hurricane



1 season and it looks like we made it this year, and we are very  
2 grateful for that. I know you read it, but this morning in the  
3 Sun Sentinel there was an article saying that the forecast for  
4 next year looks bad. Of course they said that this year, too,  
5 but sooner or later I think one thing they said in the paper is  
6 that it's a statistical certainty that there is going to be  
7 another major hurricane hitting South Florida. So that puts  
8 these cases in perspective and the importance of them.

9           We mentioned what our office is. We are a small  
10 office, we are about 1/20th the size of the Public Service  
11 Commission, and we are separate from the Commission. And our  
12 duty is to represent the interests of customers before the  
13 Florida Public Service Commission. So we appear as a party  
14 just like BellSouth does, we get to cross-examine witnesses and  
15 file briefs and arguments before the Commission, and can even  
16 appeal their cases. We intervened in this case to look at  
17 BellSouth's case and make sure that the customers are protected  
18 in this proceeding.

19           I would like to just take a moment and try to put  
20 this case in a little bit of perspective of what we have seen  
21 in a lot of hurricane cases, because we have seen quite a few  
22 in the last two years. Some of the issues that particularly  
23 get raised in these cases is what types of costs should the  
24 company be allowed to recover through a surcharge for a  
25 hurricane. A second issue that comes up is to what extent

1 should the companies share in the burden of the costs that are  
2 associated with repairing facilities from a hurricane.

3           With respect to the first issue as to what sorts of  
4 costs, one of the issues that keeps being brought up is whether  
5 the companies can recover costs that have already been  
6 recovered in their basic rates. Their basic rates cover their  
7 normal salaries and expenses and also a certain amount of  
8 overtime. And what we have seen in a number of cases is the  
9 companies come in and will ask that the expenses of their  
10 people who are their regular salaried employees in the normal  
11 amount of overtime get included in the hurricane surcharge as  
12 well as the extraordinary costs that are associated with the  
13 hurricane. We've consistently opposed that and the Commission  
14 has consistently denied that sort of recovery to the companies.

15           Florida Power and Light has asked for it over 2004  
16 and 2005. We fairly recently finished a case with a small  
17 telephone company that serves Apalachicola and an area around  
18 the Panhandle, and the Commission denied the vast majority of  
19 what they asked for. And based on that, they were asking for  
20 expenses that they normally would have incurred even if there  
21 hadn't been a hurricane.

22           So we certainly like what the Commission has done on  
23 that. The small company actually appealed the Commission's  
24 case to the Florida Supreme Court, and we are in the midst of  
25 briefing that and arguing that before the court.

1 Another issue that gets raised is the sharing of  
2 expenses. In the 2004 Florida Power and Light case, we asked  
3 the Commission explicitly to make Florida Power and Light share  
4 in some of those expenses. The Commission turned us down on  
5 that in 2004. In 2005, there were a number of issues about the  
6 maintenance practices of Florida Power and Light, whether they  
7 should be held responsible for some of the damages because of  
8 their lack of adequate maintenance contributed to the amount of  
9 damages and that they should be accountable for that. And the  
10 Commission in that case disallowed a very significant amount of  
11 from Florida Power and Light's request, and so the company had  
12 to share in those amounts.

13 Now, in this case there is a statute that sets a  
14 maximum that BellSouth can ask for, and the most they can get  
15 from customers is 50 cents per line. We have looked at their  
16 costs in this case, we think they have filed an approach where  
17 the costs really are extraordinary beyond their normal costs,  
18 and it far exceeds the statutory maximum. In fact, the most  
19 they can recover is about 35 to 40 percent of what their cost  
20 was. So because the legislature in 2005 passed a statute  
21 limiting the amount that BellSouth can recover, that BellSouth  
22 is going to have to share more than the customers would have to  
23 pay. They are taking that in their own pocket.

24 One last thing, the Commission has a series of  
25 proceedings that started during or shortly after the 2004

1 hurricane season about making the utilities do more to  
2 strengthen their facilities, harden their facilities against  
3 hurricanes. And this is applied both to the electrics and the  
4 telephone companies. This is an issue that keeps being brought  
5 up. So if you have any comments about what you saw during the  
6 hurricanes, I'm sure the Commission would like to hear that.

7 With that I want to thank you for coming tonight, and  
8 we look forward to hearing your testimony.

9 CHAIRMAN EDGAR: Thank you, Mr. Beck.

10 And we are now about ready to begin hearing testimony  
11 from the customers. As I mentioned a few minutes ago, Mr. Beck  
12 will be calling names in the order on the sign-up sheet. And  
13 before we do that, we will swear you in as a group.

14 So for those who have signed up and would like to  
15 speak to the Commission on this matter here tonight, if you  
16 would, please all stand as a group and raise your right hand.

17 (Witnesses sworn collectively.)

18 CHAIRMAN EDGAR: Thank you.

19 And, again, when Mr. Beck calls your name, if you  
20 would come to the microphone, tell us your name and who your  
21 phone service provider is, that is always of interest to us.

22 And, Mr. Beck, will you call the first name.

23 MR. BECK: Thank you, Madam Chairman. Our first  
24 speaker tonight is Bruce Quailey.

25 **BRUCE QUAILEY**

1 appeared as a witness and, swearing to tell the truth,  
2 testified as follows:

3 DIRECT STATEMENT

4 WITNESS QUAILEY: Good evening. My name is Bruce  
5 Quailey, and I live at 3070 Northeast 43rd Street. I have been  
6 a resident of Broward County now for about 34 years. I'm  
7 Executive Vice President for Florida Bond and Mortgage, a  
8 commercial holding banking company here locally, and I have  
9 been there for 32 years. I am a BellSouth -- I do have  
10 BellSouth service and have had for a number of years.

11 I think one of the things I want to point out right  
12 off the bat is we tend in life, I think, to take so many things  
13 for granted. I know when I started on my way over here this  
14 afternoon, I put the key in, the car started. We tend to  
15 expect that. The same thing as far as when we turn the water  
16 faucet on, the water runs out and we expect that time and time  
17 again. When we watch a sporting event and we see things  
18 going -- whether it be football, baseball, tennis, whatever, if  
19 you don't notice any problems and everything is going fine, you  
20 don't notice the umpires and the referees and so on, they are  
21 doing a very, very good job.

22 One of the things I think I noticed when I traveled  
23 around here over the years a number of times, we will be using  
24 our cell phones and it can be Verizon, or Cingular, or Sprint,  
25 I have had all the various services, and it becomes very

1 frustrating to me as a businessman, and both personally, to  
2 drive around and you get dead zones and you drop calls. The  
3 great thing to me about BellSouth over the years has been their  
4 tremendous dependability. The service has been just  
5 impeccable. Anytime I have had any little contact with them  
6 over the years as far as adding lines or any minor problem,  
7 which have been few, they have taken care of it immediately.  
8 The service has just been excellent.

9 I have been very fortunate up until the last couple  
10 of years of having just very minor issues. Since the unusual  
11 period we have been through over the last couple of years with  
12 the six storms, during Wilma, for example, my home did not lose  
13 service. We did get displaced from our business, and we were  
14 out for about four or five months. And BellSouth got us up and  
15 running in our new premises very, very rapidly and right on  
16 schedule.

17 I feel that one of the most important things that  
18 should be rewarded when you have something as dependable and,  
19 if you will, a rock of Gibraltar as BellSouth has been over the  
20 years, we come to depend on them, they are always there, and  
21 for me the lifeblood of my business is the phone, and my  
22 personal life as well. They have been there, and the service I  
23 think is tremendous, and I think that should be rewarded along  
24 with I do not feel that they should have to take the burden of  
25 this very unusual period we have been through with the storms,

1 and I feel that we should contribute as consumers, and I'm  
2 happy to do so. Thank you. Any questions?

3 CHAIRMAN EDGAR: Thank you. Any questions?

4 WITNESS QUAILEY: Thank you.

5 MR. BECK: Thank you, Mr. Quailey.

6 The next speaker is Bill Rotella.

7 **BILL ROTELLA**

8 appeared as a witness and, swearing to tell the truth,  
9 testified as follows:

10 **DIRECT STATEMENT**

11 WITNESS ROTELLA: My name is Bill Rotella. I live at  
12 2740 Northeast 18th Street in Fort Lauderdale. I have been a  
13 resident of Fort Lauderdale since 1980. I'm the president of  
14 the Rotella Group, it's a commercial real estate company. And  
15 from my personal standpoint, we were knocked out of power in  
16 the building for a couple of weeks. And essentially without  
17 power, we were without phone service. And probably the lion's  
18 share of our business is actually out of state business.

19 I think the state of Florida, or at least Broward  
20 County did a pretty good job of not letting the rest of the  
21 world know how badly we were whacked in that storm. And the  
22 people across the country that were trying to call into us had  
23 no idea that we were without power, without phone service,  
24 without any ability to communicate and move real estate deals  
25 along, which is our primary thing, made it extremely difficult.

1           To get back up and running and to have BellSouth  
2 there -- there were some public service announcements before  
3 the storm that we took heed of, and at least at home when we  
4 were out of power for longer than we were at the business, we  
5 had a rotary phone that we could plug in so we had service from  
6 that phone. Had we thought that far along, I would have  
7 probably had a couple of those at my office, as well, because  
8 we were dead in the water. The costs that it appears, at least  
9 from my standpoint, that they are looking for for a line charge  
10 for a year is from our personal standpoint insignificant. We  
11 are happy to pay it.

12           Without BellSouth, without that phone service, at  
13 least from my personal perspective, we have six lines in our  
14 office, there is four or five people that are on those lines,  
15 and that is four or five people that were completely displaced  
16 for what went on for some number of weeks. In terms of at  
17 home, even longer. So, you know, I'm in favor of the 50 cents  
18 a line and six dollar a year rate increase. Thank you.

19           CHAIRMAN EDGAR: Thank you.

20           MR. BECK: Thank you. Doug Weber.

21                           DOUG WEBER

22 **appeared as a witness and, swearing to tell the truth,**  
23 **testified as follows:**

24                           **DIRECT STATEMENT**

25           WITNESS WEBER: Good evening. My name is Doug Weber.



1 I'm the president and CEO for United Way of Broward County. I  
2 believe we met a number of months ago at a similar Florida  
3 Power and Light hearing. I am a BellSouth customer personally,  
4 as is our business a BellSouth customer, and we are located at  
5 1300 South Andrews Avenue in Fort Lauderdale.

6 I'm here really tonight again to tell you how  
7 tremendous BellSouth is as a corporate partner and a corporate  
8 citizen of Broward County. Anyway, Broward County is in the  
9 community impact business. We work to help people each and  
10 every day throughout the year, just like BellSouth is in the  
11 business of helping people with their communications needs. We  
12 do projects throughout the year, we have day of caring, we have  
13 various volunteer efforts that BellSouth provides hundreds of  
14 employees during the day to come and work with us as part of  
15 our corporate volunteer programs.

16 Also, BellSouth is a great financial supporter. The  
17 employees of BellSouth contribute over \$400,000 through their  
18 contributions through their payroll deduction that go back to  
19 the 111 different programs and services that are supported by  
20 United Way of Broward County. Also during hurricanes we are  
21 partners with BellSouth. We are working together side-by-side  
22 in the emergency operation center.

23 United Way of Broward County is the lead agency, and  
24 we chair the emergency support functions team, which is  
25 volunteers and donations. And we have a desk and a

1 responsibility two desks over from where the BellSouth folks  
2 are. And we were there before the storm, during the storm, and  
3 after the storm informing people about things they need to know  
4 to prepare their homes for hurricane, communication needs. And  
5 I remember this from two years ago, Vic Venetti (phonetic)  
6 talking about how if you have the old fashioned plug-in phone  
7 line, the sort of old princess phone, that those phones  
8 typically would work even if there was no power outage.

9           And this past year with Hurricane Wilma, our office  
10 and my home was out of power for over 18 days, but our little  
11 princess plug-in phone, which we got for both the office and  
12 home continued to work 24/7 without any interruptions. So we  
13 were just thrilled that we were able to communicate and we were  
14 able to stay in business and continue operating throughout the  
15 storms, and continue helping to support people working again  
16 side-by-side with BellSouth. So BellSouth is a great corporate  
17 citizen and a very generous company to our community.

18           Thank you very much.

19           MR. BECK: Thank you. The next speaker is Sarah  
20 Edith Hambright. If I mispronounced your name, I apologize.

21                           **SARAH EDITH HAMBRIGHT**

22           **appeared as a witness and, swearing to tell the truth,**  
23           **testified as follows:**

24                           **DIRECT STATEMENT**

25           WITNESS HAMBRIGHT: Hi, my name is Sarah Edith

1 Hambright. I'm a little nervous. I reside at 1124 Northwest  
2 30th Court in Wilton Manors. We are proud to live in Wilton  
3 Manors. In fact, we have been there about two and a half years  
4 now. We moved up from Key West at that point, so we have been  
5 through a lot of storms. Actually more than here has been  
6 through in terms of the history of that.

7 I am co-owner with my partner with a wellness  
8 business, Angelworks. I'm here tonight, we read in the paper  
9 that there was going to be this notice. I'm just one of the, I  
10 guess, smaller citizens. We are really concerned about all the  
11 increases that we are having to do between Florida Power and  
12 Light, the telephone company, property taxes, insurance. This  
13 feels like one more, kind of thing, going on.

14 I was one of the older folks around, I guess, in my  
15 area, the neighbors. I was around during the BellSouth breakup  
16 back in the '80s when Ma Bell was broke up. It was very  
17 disruptive somewhat. I have seen BellSouth still have pretty  
18 good service overall. I have one of those princess kind of  
19 phones still. We still use those as our landline kind of  
20 stuff.

21 I am very concerned though with what seems to be a  
22 lot of more and more increases going on. Per news reports,  
23 BellSouth was not required to have to buy insurance, as I  
24 understand it, or have to deal with the storm kinds of issues.  
25 I have to buy insurance for my mortgage, I have to buy three

1 kinds of insurance with that. Somehow that doesn't say to me  
2 that BellSouth has planned. Over the years I'm paying my  
3 monthly with that, paying computer service through BellSouth.  
4 It's very hard to get efficient service from BellSouth. When  
5 you're on the phone trying to get an operator, trying to get a  
6 service person, it may take 45 minutes to an hour and I still  
7 may not get anyone. I call back again, still not going to get  
8 anyone. If I do, it may be someone in India or somewhere that  
9 is not understanding me.

10           One case was just last week. I came back from having  
11 to be out of town with a death in the family, BellSouth  
12 apparently changed the servers. We had a notice with that, so  
13 the computer would not work. I tried to get the technician to  
14 help me for an hour. He was not able to do anything, switched  
15 me to somebody else, who switched me to someone else, and when  
16 he was trying to change the programs in my computer, I decided  
17 this was not working. I talked to my computer person who I had  
18 to pay for an hour to do it. He was able to, within five  
19 minutes, correct the problem. That is not making sense to me  
20 with that.

21           I don't understand being able to be allowed to have  
22 the increases when the plan is not made there. BellSouth is  
23 merging with AT&T, as I understand it, at least that is the  
24 plan. Somehow there is money to do that. There is somehow  
25 money to do executives bonuses, and yet we are still paying

1 increases with that. That doesn't feel fair to me.

2 So I would just ask you to take a look at that and  
3 have some accountability as to what's going on with BellSouth  
4 as well as other utilities with that. It's becoming very hard  
5 to stay here as a resident. We really want to, but I think  
6 these issues need to be looked at and looked at from the  
7 consumers' point of view, as well. I want to pay my fair  
8 share, but I would like it to be my fair share. Thank you for  
9 your time.

10 CHAIRMAN EDGAR: Thank you. Questions?

11 Thank you, Ms. Hambright.

12 MR. BECK: Thank you, ma'am. Julie Wilkinson.

13 JULIE WILKINSON

14 appeared as a witness and, swearing to tell the truth,  
15 testified as follows:

16 DIRECT STATEMENT

17 WITNESS WILKINSON: Good evening. My name is Julie  
18 Wilkinson and I am a resident of Oakland Park. I was born and  
19 raised in Fort Lauderdale, so my family has been here for many,  
20 many years. My mother also lives here.

21 I have nothing but good things to say about  
22 BellSouth. They have always been there for me when I have  
23 needed service, because I have moved several times. The last  
24 hurricane that we had, my mother who is wheelchair-bound was  
25 without service for two or three days and she was getting very

1 concerned. So I called BellSouth immediately and spoke to a  
2 supervisor there and they had somebody out there within the  
3 afternoon. So they have always provided me with very good  
4 service.

5 Also, I recently -- my husband is English and always  
6 looking to save a nickel, so he decided on his own to put us  
7 involved with Vonage. Well, my experience with Vonage was not  
8 good. I didn't get a proper dial tone, we couldn't use the fax  
9 machine, it was interfering with the Internet, and every time  
10 you got on the phone you were on your cell phone for two hours  
11 trying to get someone to come out and help you. So we are now  
12 happily back with BellSouth. So that was -- when you don't,  
13 you know, know when something is gone how good it is, and you  
14 get it back, then you realize what you really had to begin  
15 with.

16 But I agree with Mr. Quailey that when you are in the  
17 community for such a long time your expectations of a company  
18 are always there, and BellSouth has always been there for me.  
19 And I just wrote a real brief statement I would like to read to  
20 you all.

21 The value of BellSouth to me and my family  
22 personally, and also I am a realtor, I spend about 75 percent  
23 of my time on my office phone -- or my home phone conducting my  
24 real estate business. This includes receiving and sending of  
25 faxes. If I don't have BellSouth's service, my business

1 suffers greatly. My teenage kids are also on the phone  
2 constantly with their friends, and for them not to have access  
3 to a good phone would traumatize them. So for me to have to  
4 pay an additional six dollars to BellSouth for a storm recovery  
5 fee is a no-brainer.

6 That is why I'm here speaking to you all today. I  
7 feel strongly about keeping the quality of service that is  
8 provided to me by BellSouth. As soon as a hurricane hits and  
9 leaves, I see BellSouth trucks all over the area trying to get  
10 our service restored as soon as humanly possible. They are so  
11 quick to respond and my service has never been down for very  
12 long. To add an additional six dollars to my bill over a  
13 12-month period is not a problem. I would much rather continue  
14 to have the good service that BellSouth has always provided me  
15 than to sacrifice a minimal cost of 50 cents per month.

16 I am most certain that any business in the area will  
17 agree that the cost and the benefits of this nominal six dollar  
18 recovery fee far outweigh any unimaginable downside to  
19 BellSouth getting less than a quarter of their cost to continue  
20 their good service to all of us. All of my family and I are  
21 strongly in favor of giving BellSouth the additional six  
22 dollars, and I thank them for their continued good service and  
23 especially for not asking to charge us the entire cost of the  
24 200 million. Thank you very much.

25 CHAIRMAN EDGAR: Thank you.

1 MR. BECK: Thank you, Ms. Wilkinson.

2 The next speaker is Sol Sieglar.

3 SOL SIEGLER

4 appeared as a witness and, swearing to tell the truth,  
5 testified as follows:

6 DIRECT STATEMENT

7 WITNESS SIEGLER: Good evening, Commissioners. My  
8 name is Sol Sieglar. I have been a Florida resident for 27  
9 years, and I'm representing the Broward Coalition of  
10 Condominiums and Homeowners Associations, some  
11 120 associations. We are united in our opposition to the  
12 granting of BellSouth's request for a \$34.6 million increase in  
13 phone rates.

14 My comments this evening are almost wholly based on  
15 an article written by Brad Ashwell (phonetic), a legislative  
16 advocate for the Florida Public Interest Research Group, in  
17 Sunday's Sun Sentential. It reflects the opinion of the  
18 Broward Coalition and I'm sure with a great majority of the  
19 public who are unaware of the many hidden complexities of  
20 BellSouth's request for an increase in phone rates.

21 The reason, BellSouth admits that it didn't carrier  
22 enough insurance, nor did it establish a storm reserve fund to  
23 fully pay for damage to its network in last year's storms. The  
24 company's timing is odd. It is coming off another record  
25 profit, pocketing hundreds of millions of dollars in excess



1 earnings, enriching its stockholders with multibillion-dollar  
2 buybacks and the icing on the cake, selling the entire company  
3 to AT&T for upwards of 80 billion.

4 BellSouth admitted to the PSC that it previously  
5 carried storm insurance as well as a robust storm reserve fund  
6 to cover the costs of the network damage. Nevertheless,  
7 BellSouth convinced the legislature to allow the phone monopoly  
8 to petition for rate increases to cover uninsured storm losses  
9 only to pocket the money that any other prudent company would  
10 have spent on insurance and other storm protection measures.

11 What happened to the insurance policy you ask?  
12 Indeed, BellSouth's executive boldly testified that the  
13 insurance policy looked into was, quote, not reasonably priced,  
14 unquote. So he decided to skip it entirely, something that's  
15 just totally unconscionable.

16 Apparently, BellSouth feels that soaking its  
17 customers for insurance costs and storm reserves is reasonable  
18 instead of buying its own insurance as any reputable reasonable  
19 company would do. Businesses, homeowners, condominiums today  
20 are faced with exorbitant insurance costs, but would never fail  
21 to buy insurance as it would be an abrogation of their  
22 responsibility and accountability to their shareholders,  
23 investors, or themselves by not protecting the company. And  
24 yet flush with \$300 million in new revenue for the same old  
25 phone service, BellSouth couldn't manage to reserve a measly 10

1 percent for possible storm damage.

2 BellSouth and its new owner, the Texas-based AT&T,  
3 persuaded Florida PSC just weeks going to approve their merger  
4 plan without a single condition, saying the merger will result  
5 in substantial savings and cost of operations which will  
6 benefit customers. Yet only two weeks later BellSouth filed  
7 its request to raise rates of \$34.6 million. So much for  
8 substantial savings.

9 Fortunately, BellSouth's potential bonanza is not yet  
10 a done deal. The public still has a chance to protest the  
11 implementation of this greed plan. The Florida Public Service  
12 Commission on behalf of its millions of Florida constituents  
13 should negate this BellSouth request in its entirety. It would  
14 establish a precedent that would be extremely controversial and  
15 certainly unbusinesslike. Thank you. Any questions?

16 CHAIRMAN EDGAR: Are there any questions? Thank you,  
17 sir.

18 MR. BECK: Thank you, Mr. Siegler.

19 The next speaker is Thomas Maus. I apologize if I  
20 mispronounced your name.

21 MR. MAUS: Close. Maus.

22 THOMAS B. MAUS

23 appeared as a witness and, swearing to tell the truth,  
24 testified as follows:

25 DIRECT STATEMENT

1           WITNESS MAUS: Good evening. My name is Tom Maus. I  
2 live at 408 Southeast 17th Avenue, Fort Lauderdale. My family  
3 owns a business called Maus & Hoffman. Its a mens and womens  
4 retail clothing store, and it was founded by our father in  
5 1939. His first store was on Las Olas Boulevard. We have six  
6 retail stores in Florida, four in the BellSouth territory.  
7 Three retail stores, a retail store in Palm Beach, Boca Raton,  
8 Fort Lauderdale; and an outlet store in Lauderdale. Another  
9 operation we have is a catalog store, a catalog operation.  
10 Obviously our businesses are very, very dependent on phone.

11           Fortunately, during the storm with all the other  
12 problems we have had, the catalog operation, the outlet store,  
13 and the main headquarters of the business are located in the  
14 downtown business district. All we had to do was go out the  
15 front door or the back door of any of our businesses and there  
16 was a BellSouth truck somewhere within eyesight. We were able  
17 to smooth-talk our way into whoever was in the truck or working  
18 there into helping us out or getting us some help. I think we  
19 all feel very strongly that BellSouth did an excellent job  
20 during the storm. I think they are well deserving of any  
21 relief you allow them. Thank you.

22           CHAIRMAN EDGAR: Thank you.

23           MR. BECK: Thank you. Commissioner Resnick.

24                           GARY RESNICK

25           **appeared as a witness and, swearing to tell the truth,**

1 testified as follows:

2 DIRECT STATEMENT

3 WITNESS RESNICK: Thank you. Thanks, again, for  
4 having these hearings in Broward County. I'm Gary Resnick.  
5 I'm a City Commissioner of Wilton Manors, Florida. My address  
6 is 2800 Northwest 10th Avenue, Wilton Manors. I'm not here  
7 speaking on behalf of the city; these are my comments.

8 In addition, though, I am president of an  
9 organization called the Florida Chapter of the National  
10 Association of Telecommunications Officers and Advisors, or  
11 NATOA. This is an organization of city and county, basically  
12 employees who work in communications areas, and we represent  
13 the residents of those cities and counties that have  
14 communications issues.

15 My city, Wilton Manor, was excessively damaged last  
16 year by Hurricane Wilma. Most of our residents lost power,  
17 phone service, cable service, basically any touch with the  
18 outside world for over ten days. I, myself, am a BellSouth  
19 customer. I was without power or telephone service for 14 days  
20 as a direct result of Hurricane Wilma.

21 Many residents, despite calling BellSouth for  
22 service, unfortunately still have problems as of this point.  
23 There are many residents that are now experiencing poorer sound  
24 quality on their phone service than what they experienced prior  
25 to Hurricane Wilma. In addition, now for some reason after the

1 repairs, many residents in my city now have a party line. And  
2 despite having BellSouth send technicians out many, many times  
3 to try and fix these problems, the problems remain unresolved.  
4 And it is particularly troublesome because BellSouth refuses to  
5 give credit on the bills to these residents. Their policy is  
6 that they will only provide credit if somebody is totally out  
7 of service. But if somebody has such poor phone quality of  
8 service or a party line to the point where they are, as a  
9 practical matter, unable to use their service, BellSouth does  
10 not provide them with a credit.

11 In 2006, as you may well know, BellSouth spent  
12 millions and millions of dollars on legislative issues having  
13 nothing to do with its telephone service and communications  
14 service and providing that service to residents. It retained  
15 over 40 lobbyists on one particular bill in the Florida  
16 legislature having to do with cable telecommunication  
17 franchising. It had nothing to do with telecommunications  
18 services, and it was reported that it spent over \$2 million  
19 lobbying on that one particular bill in the Florida legislature  
20 this year.

21 The Florida Association of Counties, the Florida  
22 League of Cities, which I am a member of its board of  
23 directors, FLATOA, and many individual cities and counties,  
24 including Broward County and including my city, spent a lot of  
25 money opposing BellSouth on that legislation. And ultimately

1 it didn't pass, but it's going to come back again this year,  
2 but BellSouth totally has the money when it comes to fighting  
3 these legislative battles.

4 I think it would be unfair to the residents of my  
5 city to now have them face one more burden. As another speaker  
6 said earlier, we're experiencing tremendous increases all  
7 across the board on services that are really necessities for  
8 residents. Taxes, unfortunately, are going up; electric rates  
9 have gone up. My city is virtually entirely insured by  
10 citizens, and we're facing a 100 percent increase next year on  
11 property insurance. So, I think a six-dollar-a-year hit to  
12 residents at this time is going to be difficult for many to  
13 swallow. And residents are moving out of the area because it  
14 has just become too expensive to live here.

15 As a final comment I would just say I think the  
16 Commission needs to act cautiously. Thirty-four million  
17 dollars may not seem like a lot of money ultimately, but I  
18 think you need look at whether BellSouth really needs this  
19 bailout in order to maintains its operations.  
20 And I would be happy to take any questions you may have.

21 CHAIRMAN EDGAR: Commissioner, I want to thank you  
22 for your comments, and we do have one or two questions. And my  
23 first question is could you, and I need you to do it for me  
24 slower, the acronym and the name of the association that you  
25 mentioned.

1 WITNESS RESNICK: Sure. The acronym in FLATOA,  
2 F-L-A-T-O-A. It stands for the Florida Chapter of the National  
3 Association of Telecommunications Officers and Advisors. The  
4 acronym of the national organization is NATOA, and NATOA works  
5 very closely with NARUC on a lot of these issues.

6 CHAIRMAN EDGAR: Thank you.

7 Commissioner Arriaga.

8 COMMISSIONER ARRIAGA: Good afternoon, Commissioner.

9 WITNESS RESNICK: Thank you.

10 COMMISSIONER ARRIAGA: Did I understand you correctly  
11 that you said that your constituents have generated complaints  
12 of quality of service with BellSouth?

13 WITNESS RESNICK: Yes, and I am one of them. I have  
14 called BellSouth six times to try and fix this problem on my  
15 own home phone and can't get it resolved.

16 COMMISSIONER ARRIAGA: Are you aware that the Public  
17 Service Commission has a customer service department that can  
18 take those complaints when they are not resolved on your  
19 individual basis?

20 WITNESS RESNICK: Yes, we are. Thank you.

21 COMMISSIONER ARRIAGA: Have you tried contacting the  
22 Public Service Commission?

23 WITNESS RESNICK: I haven't personally. I don't know  
24 if other residents of the city have.

25 COMMISSIONER ARRIAGA: Would you kindly let your

1 residents know that we will gladly receive those complaints and  
2 carry them through?

3 WITNESS RESNICK: Absolutely. Thank you.

4 CHAIRMAN EDGAR: Ms. Salak.

5 MS. SALAK: I would just like to suggest that Mr.  
6 Moses, in the back, is in charge of our quality of service  
7 group. And I think if you could get with Commissioner Resnick,  
8 I would appreciate it. Give us those numbers and the issues  
9 that you have. Please give us those.

10 WITNESS RESNICK: Thank you. I appreciate it.

11 CHAIRMAN EDGAR: Thank you, Commissioner.

12 MR. BECK: The next speaker is Judith High.

13 JUDITH HIGH

14 appeared as a witness and, swearing to tell the truth,  
15 testified as follows:

16 DIRECT STATEMENT

17 WITNESS HIGH: Good evening. My name is Judith High.  
18 I live at 4305 Northeast 22nd Avenue, Fort Lauderdale. I have  
19 been a resident since 1968, and my family is all here. And we  
20 have had BellSouth, Southern Bell, I use the old name, too,  
21 most of our lives, we have been very, very happy with the  
22 service. We have never -- we've been married 30 years and we  
23 have never changed our service because of the fact that we have  
24 been very, very happy with it.

25 During the storm last year, we never lost our



1 service, which we were very thankful for. My mother is 85 and  
2 she lives with us, so we were very happy with that. And  
3 whenever we have any problems, when we call we have been very  
4 satisfied with our service.

5 Last year during Wilma friends of ours lost their  
6 service, and they only used -- they knew I had my landline  
7 because we also plugged in a rotary phone, and they called on  
8 their cell and asked me to report their repair. I did so, and  
9 I was told it would be at least 21 days before they would have  
10 their service back. And they were thrilled, they were back in  
11 service in nine days. So that was wonderful.

12 We all noticed that there were trucks all over in our  
13 neighborhood when we did travel. It was very nice to see  
14 everyone out there. Our neighborhood -- I was shocked that we  
15 had service because when we went into the backyard, we live in  
16 the east so all our lines are overhead, and it was just a mass  
17 of wires tangled everywhere, so I was shocked that we did have  
18 our service.

19 I am also a mother of three boys and am involved  
20 heavily in school functions, and BellSouth has always been very  
21 good to our community, which I like to see. They have come  
22 back and helped with some of the fundraisers, and I've always  
23 seen them out there. So I have been very favorable with  
24 BellSouth. I think the amount that they want is nominal  
25 compared to the other costs that, you know, we have experienced

1 in the past. Thank you very much.

2 CHAIRMAN EDGAR: Thank you.

3 MR. BECK: Thank you. Gary Hill.

4 GARY HILL

5 appeared as a witness and, swearing to tell the truth,  
6 testified as follows:

7 DIRECT STATEMENT

8 WITNESS HILL: Thank you for this hearing. I am Gary  
9 Hill, I live at 3092 South Oakland Forest Drive in Oakland  
10 Park, and I have been a resident a Florida for some years now.

11 I, too, am basing my comments today on the editorial  
12 that was in the Sun Sentential written by Brad Ashwell. So I  
13 want to thank the Sun Sentential for doing their job, and I  
14 want to thank Brad for writing his editorial and bringing this  
15 issue before us to the extent that they have.

16 I'm not accustomed to speaking in public like this,  
17 and in these forums, but I'm here because I feel very strongly  
18 about this issue. I personally live on a disability income,  
19 and my income has to stretch for all the things I need in my  
20 life. And I think I work very hard at managing the resources  
21 that I have. I would consider myself middle class. Not middle  
22 middle class, but middle class.

23 But I am wondering how much longer I can afford to  
24 live in the state of Florida. My condo maintenance fees are  
25 going up, my insurance is going up, my taxes are going up. And

1 I look around, and I talk to relatives in Michigan and what  
2 they are facing, and it isn't anything like what we are facing  
3 here in Florida.

4 I can go to Michigan and buy a home for \$125,000, and  
5 I can live comfortably in that. Sure, there are heating costs,  
6 but taxes aren't anything. So I don't know what I am going to  
7 do. Citizens have already been failed, I believe, by allowing  
8 this merger to take place. We know that in mergers they only  
9 benefit the companies. They don't necessarily come back and  
10 benefit the citizens of the day-to-day who are using their  
11 services.

12 You might be able to make a case for spreading the  
13 costs, if you have a larger corporation, but then this isn't  
14 about spreading the costs that we are hearing today. This is  
15 about bringing it back to the citizens to pay yet more to the  
16 corporations. And if it was really coming back to us in the  
17 form of services, I could appreciate that. But as it was  
18 pointed out in this editorial, I'll be glad to leave this here  
19 on the podium for any of you to read it, if you haven't had the  
20 chance to read it, this is going into bonuses and salaries for  
21 chief executives who are going to be raking in triple. The  
22 chief executive alone is going to be bringing in about  
23 \$11 million himself this year. Why should I have to pay my six  
24 dollars extra a year? And to this lady over here who says she  
25 is willing to pay it, I can appreciate it, too. She has had

1 good service. BellSouth provides good service. They should be  
2 providing good service. This isn't anything that we should  
3 applaud. They're in the business, they should be doing that.

4 So I am not going to go on, I just want to lodge my  
5 concerns you with this afternoon. I thank you for your time,  
6 and I appreciate you being here. (Microphone falls.) And I  
7 have no idea what statement this microphone is making.

8 CHAIRMAN EDGAR: Thank you, Mr. Hill. We appreciate  
9 your comments.

10 Mr. Beck.

11 MR. BECK: Thank you. Mr. Edwards, Plantation  
12 Chamber.

13 WITNESS EDWARDS: It's Mrs.

14 MR. BECK: I'm so sorry.

15 WITNESS EDWARDS: That's okay.

16 SIOBHAN EDWARDS

17 appeared as a witness and, swearing to tell the truth,  
18 testified as follows:

19 DIRECT STATEMENT

20 WITNESS EDWARDS: Hi, I'm Siobhan Edwards. I'm the  
21 Executive Director of the Greater Plantation Chamber of  
22 Commerce. I also have been a homeowner in the City of  
23 Plantation for 26 years where I have my home, three lines which  
24 are BellSouth, as well as my Internet service.

25 And I just wanted to speak. One, of course, because

1 I am with the chamber of commerce. One of the reasons we live  
2 in South Florida, it's a beautiful day. Today is  
3 chamber-of-commerce weather. And we do pay a little bit more  
4 to live here and enjoy that. And I think you also have to look  
5 back, and we have been very blessed that hurricanes have not  
6 hit South Florida as often as snow storms and things have hit  
7 other areas. So when these things, catastrophic things do come  
8 along, absolutely are we all going to have to pay the burden,  
9 we certainly are. But I think what BellSouth is asking us to  
10 pay is extremely nominal compared to some of the other  
11 industries.

12 I know that in our City of Plantation, BellSouth was  
13 there promptly, on time. We never were disrupted in our phone  
14 service at the chamber or at my home. And the president of my  
15 homeowner's association in our neighborhood, in El Dorado,  
16 phone service after Wilma was not interrupted, so we were very  
17 blessed in that area. I have not heard one business complaint,  
18 we're a year out, that has not had their phone service  
19 completely restored. We do not get any complaints. We usually  
20 are one of the first people, too, that we do get the  
21 complaints.

22 If you don't have phone service, trash pick up,  
23 anything, they will usually call the chamber. So I have not  
24 been hearing any for our business owners or residents in  
25 Plantation that service was not restored promptly, that they

1 haven't been able to get ahold of a BellSouth representative.  
2 So I just don't think that I'm that different compared to other  
3 business owners in Plantation.

4 And, of course, I also have to sing the praises of  
5 BellSouth as a corporate citizen. One of my main jobs is to  
6 put on events for the City of Plantation. And when we do go to  
7 BellSouth, they are always one of our first sponsors and  
8 supporters to any of the events and community activities that  
9 we put on in the city.

10 So I do think that as a homeowner with three phone  
11 lines in my house, I really do find it not a problem to pay the  
12 additional \$18 a year to try to recoup what I understand is a  
13 quarter of the costs of what BellSouth experienced this past  
14 hurricane season. Thank you.

15 CHAIRMAN EDGAR: Thank you, Ms. Edwards.

16 MR. BECK: Thank you. Madam Chairman, that completes  
17 the speakers who have signed up ahead of time.

18 CHAIRMAN EDGAR: Okay. It is 6:00 o'clock by the  
19 clock on the wall. Let's take a short recess.

20 And, Commissioner Carter.

21 COMMISSIONER CARTER: Thank you, Madam Chairman.

22 Before we take a recess, I would suggest that the  
23 representatives from BellSouth would go and visit with  
24 Ms. Hambright and talk to her about her situation. And we also  
25 have staff that could probably visit with her as well.

1           CHAIRMAN EDGAR: I appreciate your suggestion and I  
2 know that they will do that.

3           COMMISSIONER CARTER: Okay.

4           CHAIRMAN EDGAR: Okay. We will go on break for a  
5 short period of time. Thank you.

6           (Recess.)

7           CHAIRMAN EDGAR: We will go back on the record for a  
8 few minutes. It is my understanding that no other customers  
9 have arrived during this time to testify, but let me just make  
10 sure for the record. Is there anyone who has come in during  
11 the break that would like to speak to the Commission on this  
12 matter at this time?

13           Seeing none. I would like to thank very much those  
14 customers who came out this evening to talk with us. Thank you  
15 to the parties and thank you to our staff. Our next customer  
16 meeting is in Miami tomorrow at 11:00 a.m. And we are  
17 adjourned.

18           (The service hearing concluded at 6:35 p.m.)

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1 STATE OF FLORIDA )

2 : CERTIFICATE OF REPORTER

3 COUNTY OF LEON )

4

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.

7

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.

10

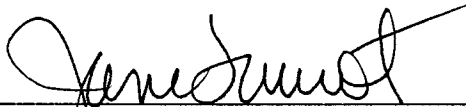
I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

13

DATED THIS 4th day of December, 2006.

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16

JANE FAUROT, RPR  
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Administrative Services  
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