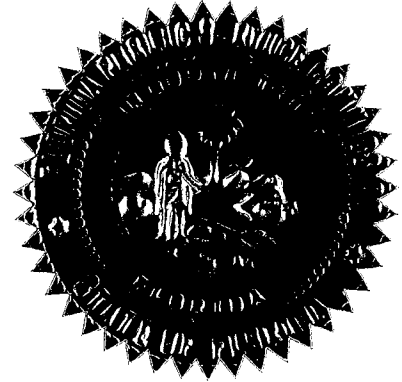


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 060644-TL

In the Matter of:

PETITION TO RECOVER 2005 TROPICAL
SYSTEM RELATED COSTS AND EXPENSES,
BY EMBARQ FLORIDA, INC.



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PROCEEDINGS: FT. WALTON BEACH SERVICE HEARING
BEFORE: COMMISSIONER MATTHEW M. CARTER, II
COMMISSIONER KATRINA J. TEW
DATE: Wednesday, December 13, 2006
TIME: Commenced at 10:00 a.m. (CST)
Concluded at 12:33 p.m. (CST)
PLACE: Ft. Walton Beach City Hall
City Commission Chambers
107 Miracle Strip Parkway
Ft. Walton Beach, Florida
REPORTED BY: LINDA BOLES, CRR, RPR
Official Commission Reporter
(850) 413-6734

1 PARTICIPATING:

2 SUSAN S. MASTERTON, ESQUIRE, Embarq Florida, Inc.,
3 1313 Blairstone Road, Post Office Box 2214, Tallahassee,
4 Florida 32301, appearing on behalf of Embarq Florida, Inc.

5 HAROLD MCLEAN, PUBLIC COUNSEL, Office of Public
6 Counsel, c/o 111 West Madison Street, Room 812, Tallahassee
7 Florida 32399-1400, appearing on behalf of the Citizens of the
8 State of Florida.

9 JASON FUDGE, ESQUIRE, FPSC General Counsel's Office,
10 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850,
11 appearing on behalf of the Florida Public Service Commission
12 Staff.

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I N D E X

WITNESSES

NAME:

PAGE NO.

BETTY KENYON

Direct Statement

8

CERTIFICATE OF REPORTER

14

P R O C E E D I N G S

1
2 COMMISSIONER CARTER: Good morning. My name is
3 Matthew Carter, a Public Service Commissioner, and I want to
4 welcome you all here. Good morning, everyone.

5 First of all, I'll introduce my distinguished
6 colleague Commissioner Katrina Tew, and let you know that we're
7 here this morning. I'd call the meeting to order.

8 Mr. Fudge, would you read the notice, please?

9 MR. FUDGE: By notice issued October 18th, 2006, this
10 time and place was set for a customer hearing in Docket Number
11 060644. The purpose is as set forth in the notice.

12 COMMISSIONER CARTER: Okay. Thank you, Mr. Fudge.
13 Is it -- if we can go ahead on and take appearances now.

14 MS. MASTERTON: Good morning, Commissioners. I'm
15 Susan Masterton representing Embarq. And with me here today I
16 have our vice president for the state, Charles Rehwinkel, and
17 Sandy Khazraee, our regulatory manager, and Joyce Sanders, who
18 is our local public affairs manager. We're just here today to
19 listen and to answer any questions that might come up.

20 COMMISSIONER CARTER: Thank you.

21 MR. McLEAN: I'll be happy to go next. My name is
22 Harold McLean, Office of Public Counsel. I'm the Public
23 Counsel on behalf of the citizens of the State of Florida.
24 Address, 111 West Madison, Tallahassee, 32399.

25 MR. FUDGE: Jason Fudge on behalf of Commission

FLORIDA PUBLIC SERVICE COMMISSION

1 staff.

2 COMMISSIONER CARTER: Ms. Salak.

3 MS. SALAK: I'm Beth Salak. I'm with Commission
4 staff also.

5 COMMISSIONER CARTER: Thank you very much. I want to
6 welcome all of you here to this hearing this morning, this
7 hearing, and I appreciate your appearance here, I appreciate
8 your presence, and I want to hear from any members of the
9 community that want to be heard today. It's an official
10 meeting that will be transcribed and be part of the official
11 record. We have a court reporter here, so such that anyone
12 wishing to speak today will be sworn in, and we'll take care of
13 that in a few minutes. Their comments will be subject to
14 cross-examination.

15 Before we get to that, I'd like to introduce our PSC
16 staff who are here to help with any questions. First,
17 Mr. Rick Moses and also Ms. Thelma Crump would be willing to
18 help you. Also, Embarq brought staff here to assist.

19 MS. MASTERTON: Yeah. I think -- right.
20 Ms. Khazraee.

21 COMMISSIONER CARTER: Just raise your hand. There
22 you go.

23 You may have noticed speaker sign-up forms.
24 Ms. Crump has those back there. Anyone wishing to speak,
25 please complete the form, sign those up. You may not want to

1 speak today. You may want to send your comments in in writing.
2 Take the blue form here and you will complete that and just
3 mail it in to us at the address supplied here.

4 Before asking for any comments, Mr. McLean, do we
5 have anyone signed up?

6 MR. McLEAN: No, sir, I don't.

7 COMMISSIONER CARTER: Why don't we do this, Madam
8 Commissioner, if it's okay with you. We'll just dispense --
9 we'll just go in recess. And if anyone shows up, then we'll go
10 through the formalized process. Is that okay with you, Mr.
11 McLean?

12 MR. McLEAN: Yes, sir. No one has contacted me or
13 approached me about testifying today as yet. So that procedure
14 is fine with me.

15 COMMISSIONER CARTER: Then let's consider ourselves
16 in recess.

17 (Recess taken.)

18 COMMISSIONER CARTER: Go back on the record. In view
19 of the fact that we have a consumer that would like to speak
20 today, let's just kind of -- I want to get back on the record
21 and just say that I'd like the attorneys for the parties to
22 make an opening statement beginning with Embarq. You are
23 recognized.

24 MS. MASTERTON: Thank you, Commissioners.

25 I haven't really prepared a lengthy opening

1 statement. Embarq understands this is a public hearing to get
2 comments from the public about our petition to recover the
3 costs to repair our facilities in the 2005 hurricane season.
4 We've come to listen to the comments from the customers and
5 respond to any concerns or questions that are asked from either
6 you or the customers. Thank you.

7 COMMISSIONER CARTER: Thank you so kindly.

8 MS. MASTERTON: If you'd like, I can introduce the
9 other Embarq staff people who are here.

10 COMMISSIONER CARTER: Go ahead. Put it on the
11 record.

12 MS. MASTERTON: Okay. We have Charles Rehwinkel,
13 who's our Florida vice president; Joyce Sanders, who's our
14 local public affairs manager; and Sandy Khazraee, who's our
15 regulatory affairs manager. And among all of us I think we'll
16 be able to answer any questions that come up. Thank you.

17 COMMISSIONER CARTER: Thank you so kindly.

18 MR. McLEAN: Commissioner Carter, if I might. I just
19 want to say --

20 COMMISSIONER CARTER: Yes, sir.

21 MR. McLEAN: -- I am the Public Counsel from the
22 State of Florida. I represent the citizens in actions like
23 this. We generally oppose these kind of increases. We'll be
24 giving this one very close scrutiny to ensure that it complies
25 with state statutes recently enacted by the Legislature.

1 Thank you, Mr. Chairman.

2 COMMISSIONER CARTER: Thank you, Counselor.

3 I notice we have one person here that wants to speak;
4 right?

5 MR. McLEAN: Yes. Ms. Betty Kenyon signed up.

6 Ma'am, if you'd come forward to the microphone and
7 tell the Commission your concerns.

8 COMMISSIONER CARTER: Ma'am, because this is a --
9 step up to the microphone. Because this is a public hearing
10 and we're going to put everything on the record, I'm going to
11 ask you to raise your right hand and take an oath, please.

12 BETTY KENYON

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

15 MS. KENYON: Thank you.

16 COMMISSIONER CARTER: You are recognized.

17 DIRECT STATEMENT

18 MS. KENYON: I want to say I just saw the notice of
19 this hearing in the yesterday Daily News, and I said, "Can I
20 fit it into my schedule?" Because I testified when the PSC was
21 here in April of 2004 about the phone rate increases for
22 Verizon, BellSouth and Sprint. Of course, many of us testified
23 against any increases, and we have no competition whatsoever in
24 the county. And so, of course, the increase was put on hold
25 for a while after the PSC approved it in December of 2004 and

1 so on and so on.

2 But anyhow, we're getting nickeled and dimed to
3 death. I saw the newspaper said it was a 50 cent a month
4 increase. And we as homeowners have had to put up with
5 hurricanes, tropical storms, you name it. And so I just am
6 very puzzled about why this is required at this time.

7 Now an interesting note is that about, oh, two and a
8 half weeks ago I had occasion to call Embarq because we had no
9 phone service in my neighborhood in Destin -- and talking to
10 people in Oregon and someplace else and on -- oh, we'll get
11 back to you. Well, of course, with my network of neighbors and
12 what have you, I found out that in the City of Destin a
13 contractor had cut the phone line, so our phone service for our
14 entire north end near Indian Trail and Indigo Circle was cut
15 off. Embarq did give us a credit. When I got my phone bill, I
16 saw I had a credit there.

17 But once again -- I didn't have an opportunity to
18 make a copy when I testified almost three years ago. I gave
19 you a list of all these little nitpicking fees we have to pay.
20 And at the time all these little extra taxes, surcharges, you
21 name it, were more than my basic telephone service. And I
22 don't have all the bells and whistles because I don't want all
23 the bells and whistles. And so now the phone service has
24 increased slightly. My basic phone service is \$12.45. My
25 taxes and fees and so on and surcharges are \$11.76. You say,

1 well, that's not very much money. But the thing is many of us
2 are retired senior citizens on a fixed income. And I'm sure
3 you've heard that before. But the point is when does this
4 stop? You know, I keep -- you know, we have an insurance
5 problem, a huge increase in homeowner's insurance, taxes and so
6 on. We individuals, we have to look closely at where our money
7 is going. And everybody is going to say, oh, well, 50 cents a
8 month isn't very much. But, yes, it is. Fifty cents can start
9 anybody's little savings account, some little kid's account,
10 this what have you. And I won't belabor that point.

11 But as I say, I just feel unless Embarq improves
12 their customer service, because I was very turned off by their
13 replies whenever I had the service calls, why give them an
14 increase? Any questions?

15 COMMISSIONER CARTER: Yes, ma'am.

16 MS. KENYON: Yes.

17 COMMISSIONER CARTER: Just for the record, I was
18 excited, I was so excited to see you here today that I forgot
19 to ask you when you stepped up to the microphone, for the
20 record because we have a court reporter, please state your name
21 and address, and what's the name of your carrier, your phone
22 carrier?

23 MS. KENYON: The last item, what was that?

24 COMMISSIONER CARTER: The name of your phone carrier.
25 I think it's Embarq.

1 MS. KENYON: Oh, Embarq. Right.

2 COMMISSIONER CARTER: Yes, ma'am.

3 MS. KENYON: My name is Betty J. Kenyon. I live at
4 3805 Indigo Circle in the beautiful City of Destin, Florida.
5 Do you need my phone number? Okay.

6 COMMISSIONER CARTER: It's up to you.

7 MS. KENYON: Well, it's on the form.

8 COMMISSIONER CARTER: Yes, ma'am.

9 MS. KENYON: But anyhow, as I say, I'm active in
10 politics and in the activities in my City of Destin and in the
11 community.

12 COMMISSIONER CARTER: We thank you for coming this
13 morning.

14 And first let me -- Commissioner Tew, do you have any
15 questions?

16 COMMISSIONER TEW: I don't think so.

17 COMMISSIONER CARTER: But we do want to thank you for
18 coming. It's a significant opportunity for us to come out and
19 go around to the different communities that are impacted and
20 find out exactly what the citizens have to say.

21 MS. KENYON: Okay. And I just want to mention I had
22 hoped that I would be able to contact some of the people that I
23 know were involved in the issue almost three years ago, but
24 I've had some medical problems and I didn't get a chance to
25 call anyone late yesterday. Because, as I say, I just saw this

1 in the newspaper in the morning. Okay. Thank you.

2 MR. McLEAN: I have a very brief observation for you,
3 if anything else. You mentioned, "When is the end to these
4 things?" And I can't answer for that mass of things that we
5 all are exposed to, but I can answer for this one.

6 The Legislature, in its infinite wisdom, decided that
7 this phone company could only collect this charge for one year.
8 So it's 50 cents per access line for one year.

9 MS. KENYON: One year?

10 MR. McLEAN: So the Legislature could -- it's good
11 that the Legislature limited them to that degree is my
12 suggestion.

13 MS. KENYON: Thank you. As I say, I'm not too
14 impressed with our state Legislature, because I follow some
15 issues closely.

16 MR. McLEAN: Well, I didn't want to whack the
17 hornet's nest, but.

18 MS. KENYON: Okay. Thank you very much.

19 COMMISSIONER CARTER: Yes, ma'am. One second. Does
20 anyone have any questions? Thank you so kindly for coming to
21 be with us this morning. We sincerely appreciate, you know,
22 you taking out time from your very busy day to do that.

23 MR. McLEAN: Mr. Chairman, I have no further sign ups
24 at the moment.

25 COMMISSIONER CARTER: Okay. We are again in recess.

1 (Recess taken.)

2 COMMISSIONER CARTER: Go back on the record. It's
3 now approximately 12:32 Central Standard Time. And,
4 Mr. McLean, do you have any other --

5 MR. McLEAN: I do not, sir.

6 COMMISSIONER CARTER: Well, Commissioner Tew, do you
7 have any comments?

8 COMMISSIONER TEW: No, sir.

9 COMMISSIONER CARTER: Anyone in the audience have any
10 comments that you'd like to make here at this point in time?
11 Seeing none and hearing none, we'll just declare this hearing
12 over. We're adjourned.

13 (Service Hearing adjourned at 12:33 p.m.)

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1 STATE OF FLORIDA)
 : CERTIFICATE OF REPORTER
2 COUNTY OF LEON)

3 I, LINDA BOLES, CRR, RPR, Official Commission
4 Reporter, do hereby certify that the foregoing proceeding was
heard at the time and place herein stated.


5 IT IS FURTHER CERTIFIED that I stenographically
6 reported the said proceedings; that the same has been
7 transcribed under my direct supervision; and that this
transcript constitutes a true transcription of my notes of said
proceedings.

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

11 DATED THIS 15th DAY OF DECEMBER, 2006.

12

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LINDA BOLES, CRR, RPR
FPSC Official Commission Reporter
(850) 413-6734

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