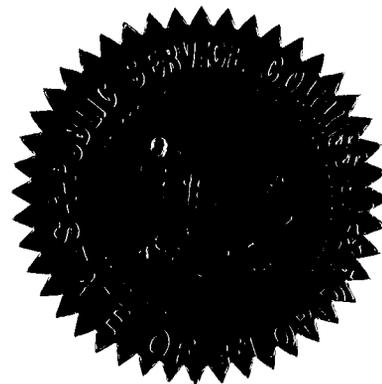


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 070390-TL

In the Matter of:

PETITION FOR WAIVER OF ORDER PSC-96-0012-
FOF-TL AND REQUEST TO ESTABLISH MODIFIED
PRICE REGULATION CATEGORIES BY EMBARQ
FLORIDA, INC.



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PROCEEDINGS: AGENDA CONFERENCE
ITEM NO. 10

BEFORE: CHAIRMAN LISA POLAK EDGAR
COMMISSIONER MATTHEW M. CARTER, II
COMMISSIONER KATRINA J. McMURRIAN
COMMISSIONER NANCY ARGENZIANO
COMMISSIONER NATHAN A. SKOP

DATE: Tuesday, August 28, 2007

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

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

DOCUMENT NUMBER-DATE

FLORIDA PUBLIC SERVICE COMMISSION 07874 SEP-45

FPSC-COMMISSION CLERK

1 PARTICIPATING:

2 SUSAN S. MASTERTON, ESQUIRE, representing Embarq
3 Florida, Inc.

4 JEFF BATES and PAT WIGGINS, ESQUIRE, representing the
5 Florida Public Service Commission Staff.

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P R O C E E D I N G S

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2 CHAIRMAN EDGAR: And we will begin our discussions
3 with Item 10.

4 MR. BATES: Good morning, Commissioners. I'm Jeff
5 Bates of technical staff.

6 Item Number 10 is Embarq's petition for waiver of
7 Order Number PSC-96-0012-FOF-TL, and request to establish
8 modified price regulation categories. Staff would like to make
9 an oral modification to the issue identification and
10 recommendation statement for Issue 1. Due to a scrivener's
11 error, FPSC Order Number PSC-96-0012-FOF-TL is shown as
12 PSC-06-0012-FOF-TL.

13 Staff is available to answer any questions you may
14 have, and Embarq representatives are available, as well.

15 CHAIRMAN EDGAR: Thank you.

16 Ms. Masterton, would you like to go ahead and make
17 any comments?

18 MS. MASTERTON: We just wanted to ask you to go ahead
19 and approve your staff's recommendation to allow us the same
20 pricing flexibility that you have already allowed for AT&T and
21 Verizon and to grant our petition. Thank you.

22 CHAIRMAN EDGAR: Thank you.

23 Commissioners, questions?

24 Commissioner Argenziano.

25 COMMISSIONER ARGENZIANO: Well, I guess the question

1 would be -- I guess I'm in favor of the staff's option, and I'm
2 wondering how the company feels about that.

3 MS. MASTERTON: Well, obviously we would prefer to
4 have the five baskets, that's consistent with what you have
5 previously approved, and it would allow us the greater pricing
6 flexibility that we need to respond to competitive pressures.
7 But to the extent that you don't approve the five, certainly
8 the six would be preferable to the ten.

9 COMMISSIONER ARGENZIANO: Madam Chair, I think the
10 staff option gives me a little bit more certainty. I think it
11 guarantees that there is a basic Lifeline service and it keeps
12 the message service in place without it raising the costs, so I
13 feel more comfortable with the staff option than the
14 recommendation.

15 CHAIRMAN EDGAR: Commissioners, further comment?

16 Commissioner Skop.

17 COMMISSIONER SKOP: I had the same concern when I was
18 meeting with staff. It does provide a little bit more
19 flexibility, although it may be a little bit inconsistent with
20 the previous practice. I think it provides a little bit more
21 visibility as to what's going on there, and it was recommended
22 by staff as an option.

23 And also, two, with respect to the scrivener error,
24 when you were speaking earlier I could not hear pretty much a
25 thing that you were saying just because of the microphone, but

1 is there anyway that you could repeat the --

2 CHAIRMAN EDGAR: Sure, we can do that.

3 Could you go back over the oral modification for us,
4 please?

5 MR. BATES: Yes, Commissioner.

6 Staff would like to make an oral modification to the
7 issue identification and recommendation statement for Issue 1.

8 Due to a scrivener's error, FPSC Order Number
9 PSC-96-0012-FOF-TL is shown as PSC-06-0012-FOF-TL.

10 COMMISSIONER SKOP: Thank you.

11 CHAIRMAN EDGAR: Commissioners, further comments or
12 questions either for our staff or for the company? No.

13 Okay. Is there a motion?

14 COMMISSIONER ARGENZIANO: Yes. Madam Chair, I move
15 to take up and pass, hopefully, the staff option.

16 COMMISSIONER CARTER: Second.

17 CHAIRMAN EDGAR: Okay. So we have a motion on Issue
18 1 to adopt the second option that is laid out by staff, not the
19 staff recommendation, and to adopt the staff recommendation in
20 Issue 2, which is to close the docket. We have a motion and we
21 have a second.

22 Is there further discussion? Seeing none, all in
23 favor say aye.

24 (Unanimous affirmative vote.)

25 CHAIRMAN EDGAR: Opposed?

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Show it adopted.

Thank you.

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STATE OF FLORIDA)

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COUNTY OF LEON)

CERTIFICATE OF REPORTER

I, JANE FAUROT, RPR, Chief, Office of Hearing Reporter Services, FPSC Office of Commission Clerk, 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 4th day of September, 2007.



JANE FAUROT, RPR
Official FPSC Hearings Reporter
FPSC Office of Commission Clerk
(850) 413-6732