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December 21, 2007

Ms. Ann Cole
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

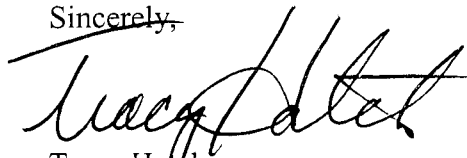
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Re: Docket No. 070300-EI Review of 2007 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Florida Public Utilities Company

Dear Ms. Cole:

Enclosed for filing in the above referenced docket are an original and fifteen copies of BellSouth Telecommunications, Inc. d/b/a AT&T Florida's Direct Testimony of Kirk Smith. Copies have been served to the parties shown on the attached Certificate of Service. If you have any questions regarding this filing please do not hesitate to call me at (850) 425-6360.

Sincerely,


Tracy Hatch

CMP 2
COM 5
CTR 1
ECR
GCL 3
OPC
RCA 1
SCR
SGA
SEC
OTH

cc: All Parties of Record
Jerry D. Hendrix
E. Earl Edenfield, Jr.

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CERTIFICATE OF SERVICE
Docket No. 070300-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via First Class U. S.

Mail this 21st day of December, 2007 to the following:

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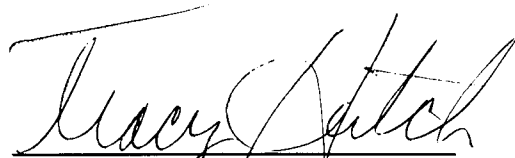
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Tracy W. Hatch
Jennifer S. Kay

1 BELL SOUTH TELECOMMUNICATIONS, INC.
2 d/b/a AT&T FLORIDA

3
4 DIRECT TESTIMONY OF KIRK SMITH

5
6 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

7
8 DOCKET NO. 070300-EI

9
10
11 DECEMBER 21, 2007

12
13 Q. PLEASE STATE YOUR NAME, YOUR POSITION WITH BELL SOUTH
14 TELECOMMUNICATIONS, INC. d/b/a AT&T FLORIDA (“AT&T FLORIDA”
15 OR THE “COMPANY”), AND YOUR BUSINESS ADDRESS.

16
17 A. My name is Kirk Smith. I am employed by the Company as Supervising Manager –
18 Network Staff Support on the Network Operations Construction and Engineering
19 Staff for the Company’s nine-state Southeast region. My business address is 3535
20 Colonnade Parkway, Rm. W3D, Birmingham, Alabama 35243.

21
22 Q. PLEASE PROVIDE A BRIEF DESCRIPTION OF YOUR BACKGROUND AND
23 EXPERIENCE.

24
25 A. I graduated from Auburn University in 1973 with a Bachelor of Science degree in
26 Industrial Engineering. I became employed by the Company in June 1973. I have
27 held various line and staff positions with the Company, including positions in
28 Construction, Engineering, Installation, Maintenance, Mechanization (Deployments
29 and Support) and Contract Administration (Outside Plant Construction, Facility

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1 Locates, Engineering and Joint Use). I managed Regional Emergency Generator
2 Pools that deploy emergency generators in large scale power outages throughout the
3 Company's nine-state southeast region. I provided support in my capacity as
4 Manager–Network Operations Support for the Company to its Regional Emergency
5 Control Center and have field experience in storm restoration, including hurricanes,
6 ice storms and tornadoes. I assumed my current position as Supervising Manager –
7 Network Staff Support on the Network Operations Construction and Engineering
8 Staff in October 2002, and my current responsibilities include supervising a team of
9 managers responsible for bidding and negotiating contracts for Outside Plant
10 Construction, Facility Locating, Engineering, and Joint Use. The team is also
11 responsible for administration of CATV license agreements, agreements for CLECs
12 pertaining to pole attachments and conduit occupancy, and agreements for
13 attachments to towers on some central offices. I also participated in Docket No.
14 060077-TL regarding the mandated pole inspection cycle, Dockets Nos. 060172-EU
15 and 060173-EU regarding storm hardening activities of investor-owned, rural
16 cooperative and municipal electric utilities, and consolidated Dockets Nos 070297-
17 EI, 070298-EI, 070299-EI and 070301-EI regarding storm hardening plans of four
18 investor-owned utilities (“IOUs”).

19
20 Q. HAVE YOU ATTACHED ANY EXHIBITS TO YOUR TESTIMONY?

21 A. Yes, I have attached Exhibit KS-1 to my testimony.
22
23

1 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

2

3 A. The purpose of my testimony is to explain AT&T Florida's position on the 2007 –
4 2009 storm hardening plan (the "Plan") filed by Florida Public Utilities Company
5 ("FPUC") with the Florida Public Service Commission (the "Commission") on
6 July 3, 2007.

7

8 Q. PLEASE PROVIDE AN OVERVIEW OF AT&T FLORIDA'S POSITION
9 REGARDING FPUC'S PLAN.

10

11 A. As a result of cooperative, good faith negotiations, AT&T Florida and FPUC have
12 reached an agreement wherein AT&T Florida and FPUC have committed that they
13 will support the terms and conditions contained in the Process to Engage Third-
14 Party Attachers (the "Third-Party Attacher Process"), a copy of which is attached as
15 Exhibit KS-1. It is my understanding that the other parties to this docket that attach
16 to FPUC's poles have also agreed to the Third-Party Attacher Process, and that the
17 Florida Office of Public Counsel has no objection to it. As information, the Third-
18 Party Attacher Process has been previously approved by the Commission in
19 consolidated Dockets Nos 070297-EI, 070298-EI, 070299-EI and 070301-EI.
20 AT&T Florida submits this testimony, in part, to explain the Third-Party Attacher
21 Process and its value.

22

1 In addition, based on our review of the project details that FPUC has included in its
2 Plan and with the agreement between AT&T Florida and FPUC to support the
3 Third-Party Attacher Process, AT&T Florida has no objections to FPUC's Plan at
4 this time.

5 Q. PLEASE EXPLAIN THE PURPOSE OF THE THIRD-PARTY ATTACHER
6 PROCESS.

7
8 A. AT&T Florida appreciates the Commission's interest in minimizing widespread
9 power outages in the state following hurricanes or other extreme adverse weather
10 conditions. As Rule 25-6.0342 of the Florida Administrative Code (the "Rule")
11 provides, however, the IOUs have a responsibility to develop storm hardening plans
12 that meet the desired objectives of enhancing reliability and reducing restoration
13 costs and outage times in a manner that is prudent, practical and cost-effective to the
14 affected parties. AT&T Florida's primary concerns are that it (1) have sufficient
15 time to review the IOUs' detailed deployment plans, (2) have the opportunity to
16 provide meaningful input to the IOUs as contemplated by the Rule, (3) have enough
17 details about the proposed work so that AT&T Florida can ascertain its projected
18 costs and perform the cost-benefit analysis contemplated by the Rule, and (4) have
19 sufficient time to communicate concerns, if any, to the Commission through the
20 complaint process referenced in the Rule. The Third-Party Attacher Process
21 alleviates these concerns by establishing a reasonable timetable for the exchange of
22 information between the IOUs and the third-party attachers. The Third-Party
23 Attacher Process is a critical tool for ensuring that an electric utility is hardening its

1 infrastructure in a way that is prudent, practical and cost-effective to affected parties
2 as required by the Rule.

3
4 Q. PLEASE EXPLAIN FURTHER WHY AT&T FLORIDA VIEWS THE THIRD
5 PARTY ATTACHER PROCESS AS CRITICAL TO COST-EFFECTIVE STORM
6 HARDENING.

7
8 In order to perform a meaningful cost-benefit analysis of a particular storm
9 hardening project, AT&T Florida needs to know which poles will be affected, as
10 well as the type of work the electric utility plans to perform. For example, AT&T
11 Florida needs to know whether the electric utility will replace poles, change from
12 wood poles to poles of another material such as concrete or steel, place poles in
13 locations different from the existing poles, or relocate or underground existing aerial
14 facilities. Once AT&T Florida has this level of detail, it can evaluate how its
15 facilities will be impacted, what work it would need to perform, and if there are
16 potentially more cost-effective ways to harden the infrastructure in question.

17
18 I understand that it may not be feasible for electric utilities to develop this level of
19 detail years, or sometimes even many months in advance of a storm hardening
20 project due to changes in field conditions, changes in service needs, and even
21 changes in internal budgets. Without this level of detail, however, AT&T Florida
22 cannot perform a meaningful cost benefit analysis of a proposed project as required
23 by the Rule. Even for proposed projects that the IOUs may provide a higher level of

1 detail for when they file their storm hardening plans, engineering plans can change
2 as you get closer in time to the start of the project for the reasons I previously
3 mentioned.

4
5 The Third-Party Attacher Process is a way to address this engineering reality. It
6 ensures that the electric utility engages third-party attachers during the design phase
7 of a project and that the dialogue continues through the construction phase. Under
8 the Third-Party Attacher Process, AT&T Florida will have sufficient time to review
9 FPUC's proposed engineering plans, determine how AT&T Florida's facilities will
10 be affected and provide input on potentially more cost-effective ways to achieve the
11 storm hardening goals. In the end, if the parties cannot overcome a disagreement,
12 AT&T Florida will also have sufficient time to file a complaint with the
13 Commission pursuant to the Rule.

14
15 As an added benefit, the Third-Party Attacher Process opens the lines of
16 communication between the parties which will likely result in a better overall
17 working relationship, even beyond the storm hardening context.

18
19 Q. HOW WILL THE THIRD-PARTY ATTACHER PROCESS WORK?

20
21 A. By September 5 of each year, FPUC will provide the third-party attachers with a list
22 of projects identified in its 3-year plan that FPUC plans to undertake in the
23 following calendar year, pending internal budget approval. FPUC will update this

1 list and provide it to the third-party attachers once it receives final budget approval
2 for the proposed projects.

3
4 Prior to engineering a job relative to a storm hardening project identified in its Plan,
5 FPUC will initiate a meeting with third-party attachers to discuss FPUC's
6 preliminary ideas for the scope of the work. At this pre-design meeting, FPUC will
7 (a) identify the poles involved; (b) identify whether it plans to replace poles, change
8 from wood poles to poles of another material, place poles in different locations than
9 the existing poles, relocate overhead facilities or underground existing aerial
10 facilities; (c) provide the projected commencement date; and (d) provide other
11 available information that would enable the third-party attachers to make necessary
12 preparations and evaluate whether to seek dispute resolution before the
13 Commission. During this pre-design phase, FPUC will also seek input from the
14 third-party attachers as required by the Rule. Once FPUC finalizes its engineering
15 plans, it will promptly provide them to the third-party attachers. FPUC will also
16 initiate a meeting with third-party attachers prior to construction to discuss
17 coordination of work and a construction schedule.

18
19 If FPUC wants to amend its Plan, for example, to add a storm hardening project not
20 previously identified in its Plan, it can file a petition with the Commission pursuant
21 to the Rule.

1 Again, it is my opinion that implementation of the Third-Party Attacher Process
2 gives FPUC the flexibility to finalize some of its engineering plans closer in time to
3 construction, while giving the attaching entities sufficient time to evaluate specific
4 projects, provide input on them, perform a meaningful cost benefit analysis, and
5 bring concerns before the Commission if necessary.

6

7 Q. Does this conclude your direct testimony?

8

9 A. Yes.

10

**PROCESS TO ENGAGE
THIRD PARTY ATTACHERS**

1. The electric utility and third-party attachers will engage in a continuous dialogue on the status of the electric utility's storm hardening plans. A third-party attacher that wishes to be part of this process ("Participant") shall provide notification in writing to the electric utility, providing the name and address of the person designated to receive communications from the electric utility. The electric utility may, no more than once a year, request that Participants confirm that they wish to continue being part of the process and update the name and address of the person designated to receive communication.
2. By September 5 of each year, the electric utility shall provide the Participants with a list of the projects identified in the electric utility's approved storm hardening plan on file with the Commission ("Plan") that the electric utility proposes to undertake in the following calendar year, pending internal budget approval. The electric utility shall provide the Participants with a list of such projects receiving final budget approval promptly as it becomes available.
3. Prior to engineering a job relative to a storm hardening project identified in its Plan, the electric utility shall initiate a meeting with Participants to discuss the electric utility's preliminary ideas for the scope of work ("Pre-Design Meeting"). At the Pre-Design Meeting, the electric utility shall (a) identify the poles involved; (b) identify whether the electric utility plans to

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replace poles, change from wood poles to poles of another material (e.g., steel or concrete), place poles in locations different from the existing poles, relocate overhead facilities or underground existing aerial facilities, and; (c) provide the projected commencement date, and; (d) upon request by a Participant, provide other available information that would enable the Participants to make necessary preparations and evaluate whether to seek dispute resolution pursuant to Rule 25-6.0342(7). During this pre-design phase of a project, the electric utility shall also seek input from Participants as required by Rule 25-6.0342(6).

4. The electric utility shall provide Participants with final engineering plans promptly upon completion. Prior to beginning construction, the electric utility shall initiate a meeting with Participants to discuss coordination of work and a construction schedule.
5. Information submitted to Participants pursuant to section 2, 3 or 4 above regarding projects identified in the electric utility's Plan will not be docketed unless a protest is filed in accordance with Rule 25-6.0342(7), or it is otherwise deemed necessary by the Commission.
6. If the electric utility seeks to amend its Plan by, for example, adding a project not previously identified in its Plan, it shall file a petition with the Commission requesting that the Plan be modified in accordance with Rule 25-6.0342(2).
7. The electric utility will file with the Director of Division of Economic Regulation by March 1 each year a status report of its implementation of

its Plan. Included in this status report shall be the name of storm hardening projects commenced and/or completed by the electric utility, the routes and circuits affected, and any comments on the project received from third-party attachers.