	APPEARANCES:
2	HARRIS R. ANTHONY, and COURT LANTAFF, c/o
3	Marshall M. Criser, III, 150 South Monroe Street, Suit
4	400, Tallahassee, Florida 32302, Telephone No. (904)
5	222-1201, on behalf of BellSouth Telecommunications,
6	Inc., d/b/a Southern Bell Telephone and Telegraph
7	Company.
8	CHARLES J. BECK, Office of Public Counsel,
9	c/o The Florida Legislature, 111 West Madison Street,
10	Room 812, Tallahassee, Florida 32399-1400, Telephone
11	No. (904) 488-9330, on behalf of the Citizens of the
12	State of Florida.
13	NOREEN DAVIS, FPSC Division of Legal
14	Services, 101 East Gaines Street, Tallahassee, Florida
15	32399-0863, Telephone No. (904) 487-2740, appearing on
16	behalf of the Commission Staff.
17	ALSO PRESENT:
18	BEVERLY DeMELLO, FPSC Office of Public Information.
19	BRENDA MONROE, FPSC Office of Public
20	Information.
21	MARGARET RING, FPSC Division of Consumer Affairs.
22	STAN GREER, FPSC Division of Communications.
23	,

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1	5 K O C E E D T W G 2
2	(Hearing convened at 6:00 p.m.)
3	CHAIRMAN DEASON: Call this hearing to order,
4	please. We will begin with having the notice read.
5	MS. DAVIS: Thank you, Mr. Chairman.
6	This time and place have been set for a
7	service hearing by notice issued September 28th, 1993
8	in the consolidated Southern Bell dockets, Nos.
9	920260-TL, 910163-TL, 910727-TL, 900960-TL, and
10	911034-TL.
11	CHAIRMAN DEASON: Thank you. Take
12	appearances.
13	MR. ANTHONY: Hank Anthony and Court Lantaff
14	on behalf of Southern Bell Telephone and Telegraph
15	Company.
16	MR. BECK: Charlie Beck, Office of the Public
17	Counsel, appearing on behalf of Southern Bell's
18	customers.
19	MS. DAVIS: Noreen Davis, appearing on before
20	of the Commission Staff.
21	CHAIRMAN DEASON: Thank you. I'd like to
22	take this opportunity to welcome everyone to the
23	hearing this evening. In the way of introductions, my
24	name is Terry Deason. I'm Chairman of the Public
25	Service Commission. To my left

1 UNIDENTIFIED SPEAKER: We can't hear you. CHAIRMAN DEASON: Apparently, the microphone 2 3 is not working. 4 (Brief recess.) CHAIRMAN DEASON: Now the microphones are on. 5 6 Can everyone still hear very well? 7 What we're going to do is just basically 8 begin all over again and hopefully things will go smoothly this time. To make sure that everyone can 9 10 hear what has transpired here before we will just start 11 over. And, Counsel, will you please read the notice 12 again. 13 MS. DAVIS: Yes, sir. This time and place 14 have been set for a service hearing by notice issued 15 September 28th, 1993 in the consolidated Southern Bell 16 dockets, Nos. 920260-TL, 910163-TL, 910727-TL, 17 900960-TL and 911034-TL. 18 CHAIRMAN DEASON: Take appearances. 19 MR. ANTHONY: Hank Anthony and Court Lantaff 20 on behalf of Southern Bell Telegraph & Telephone 21 Company. 22 MR. BECK: Charlie Beck, Office of the Public 23 Counsel appearing on behalf of Southern Bell's 24 customers. 25 MS. DAVIS: Noreen Davis, appearing on behalf

of the Commission Staff.

CHAIRMAN DEASON: Thank you. Now I will take this opportunity to welcome everyone to the hearing this evening. I will begin by making some introductions. My name is Terry Deason. I'm Chairman of the Public Service Commission. To my left is Commissioner Julia Johnson, to my immediate right is Commissioner Luis Lauredo and to my far right is Commissioner Diane Kiesling. We also have a number of Staff personnel from the Public Service Commission here this evening.

In the foyer area, from our Office of Public Information is Ms. Bev DeMello and Ms. Brenda Monroe. Also in the audience this evening from our Division of Communications is Stan Greer. Stan, could you stand and raise your hand there. And we also have a representative from our Consumer Affairs Division, Ms. Margaret Ring. And Margaret is standing towards the back. Any of these individuals from the Commission Staff would be more than happy to give you whatever assistance that you may have and try to answer any questions that you have.

The purpose of the hearing this evening is to hear from you, the customers of Southern Bell. We are eager to hear your comments concerning the quality of

service which is provided to you by Southern Bell, as well as the various rate proposals which are currently pending before the Commission and are the subject matter of the dockets which were just identified by the counselor.

I'd like to take a moment now to outline briefly the procedure which we're going to be following this evening.

First, let me state that this is an official hearing of the Public Service Commission. The testimony that you will be giving this evening will become part of the official record, and will become evidence in the case, and can and will be relied upon by the Commissioners in making the decision in these cases. Everything that is being said here this evening is being recorded by the Commission's court reporter. The procedure we're going to follow this evening is that we will begin by having brief opening statements, one given by Southern Bell and one given by the Office of Public Counsel.

At the conclusion of the opening statements we will ask all those individuals from the public who wish to testify to stand and be sworn in. This is necessary for your testimony to become part of the official record.

When your name is called by Mr. Charlie Beck,
who is with the Office of Public Counsel, please come
forward and give your name and your address for the
court reporter. And if you think there may be
difficulty in the spelling of your last name, if you
could give that, also, that would be helpful.

We're going to at that point just proceed with your statement. You also have the option, if you wish, instead of giving the statement this evening, there is a blue information handout, which is in the foyer area. The last page of this handout may be detached. It gives you the opportunity to make written comments, and it may be folded and mailed to the Public Service Commission. This is another means of making your comments known to the Public Service Commission. I think that fairly well takes care of the preliminary matters.

Is there a proof of publication of this hearing, Mr. Anthony?

MR. ANTHONY: Yes, Mr. Chairman, I have one, if I could have that entered into the record as an exhibit.

CHAIRMAN DEASON: We will do so, and it will be identified as Exhibit No. 7.

MR. ANTHONY: Thank you.

CHAIRMAN DEASON: You can give a copy of that to the court reporter.

MR. ANTHONY: Yes.

CHAIRMAN DEASON: As I indicated, we will begin with opening statements. Mr. Lantaff.

MR. LANTAFF: Good evening. Can you hear me out there? I'm Court Lantaff, and I'm Assistant Vice President of Corporate and Community Affairs for Southern Bell and Florida. I want to thank all of you for coming. I'm going to be very brief tonight, so we can get to your views. However, there are a few things I believe need to be said to set the context for tonight's discussion.

We need to look no further than the headlines of recent newspaper, news and magazine articles to realize that the telephone business is changing at an ever-increasing pace. A recent front-page article in a major Florida newspaper said, and I quote, "In Florida the merger of Bell Atlantic and TCI may challenge Southern Bell's decades' old dominance of local telephone service," end quote.

The story continues that "By mid-1994 the Bell Atlantic and TCI system will link living rooms in major portions of Florida with America's data superhighway through a single outlet in your home."

And one doesn't have to look very far to look for samples of changes that are on top of all of us. Right here in Orlando, national news was made with the announcement earlier this year that Time Warner will try one of their most innovative experiments offering thousands of homes access to hundreds of channels, including those that offer movies on demand, video games, data transmission, video shopping, and, yes, telephone service.

Writing about Time Warner's announcement, the Orlando Sentinel said, "Look on top of your television, it's a personal computer, it's a telephone. No, it's a cable converter. Actually it's all three."

The Sentinel went on to describe the situation as, "A revolution is underway and Orlando is ground zero. Yes, America, and Florida in particular, are in the middle of a communications revolution, not an evolution, and yet our traditional regulatory process never envisioned this changing market. The regulatory policies of the past do not address the changes that are occurring today, let alone tomorrow's changes."

That brings me to the proposal we have before the Public Service Commission. That proposal is really about continuing Florida's transition to this new

world. It's about providing you options. It's about providing reasonably priced, reliable service and, yes, about positioning Southern Bell to be able to compete in this new world of competition. Since we have already sent you, our customers, a bill insert that describes our proposal in detail, and the Commission has provided information as well, I will not belabor those points tonight. If you still have questions, we do have employees here tonight who can talk about them with you individually.

However, I do want to emphasize three primary points about our proposal. First, this is a rate reduction case.

Since 1988 when the Florida Public Service

Commission approved Southern Bell's current incentive

regulatory plan, you, our customers, have received more
than \$1.4 billion in rate reductions and refunds. In

our proposal that we're talking about tonight, we're

suggesting another reduction of over 26 million to you,
in addition to the 49 million in reductions already

scheduled.

And secondly, if Southern Bell is to be able to continue offering reasonably priced service, we must have a regulatory environment that encourages efficiency and provides the capital resources so we can

bring the benefits of the Information Age to you.

And third, there has been a great deal of publicity about Southern Bell's proposed expanded local service plan. Despite what you may have heard here is the truth: This is not a mandatory plan. It is and will remain an option that will benefit some of our customers. Even if our proposal was approved, you would still have the option of having the same flat rate services you have today.

We believe there are many other beneficial features of our proposal, but I did promise to be brief. Tonight is about hearing from you. Thank you and I look forward to hearing your comments.

That ends my remarks, Mr. Chairman.

CHAIRMAN DEASON: Thank you. Mr. Beck.

MR. BECK: Thank you, Mr. Chairman. Mr. Lantaff, speaking for Southern Bell, referred you to the changes that are going on in technology that is used to provide the telephone service.

One of the things he didn't mention is that that technology is reducing the cost. In other words, the amount of cost to provide you telephone service and reducing those costs dramatically, and Southern Bell doesn't want your rates to go down like they should to reflect those reduced costs. If you think of the way

hand-held calculators have gone down in price, from \$100 ten to twenty years ago, and now you can get them for a dollar. The same with computers. The price of computers has been dropping for years and continues to drop.

Much of the network used to provide you telephone service is computerized. Southern Bell's switching centers are virtually all digital now. They have fiber optics connecting those switching centers. Those technology advances which have been paid for by customers in the past through your rates should be bringing you lower prices now. And Southern Bell is trying very hard not to reduce rates to the extent they should. Let me give you a couple of examples.

They are asking for a profit level return on their equity that they expect this year to equal 13.5%, and that's after they pay the taxes on that profit level. They want to keep all of their profits up to a 14% level and their share they've kept at a 16% level of profits after taxes.

Given the rate of inflation that is now very low, interest costs are at the lowest point they have been in several decades, we think the profit level they are asking for is outrageous. It should be much lower than they have asked.

Another thing going on with Southern Bell is they are undergoing a reorganization and thousands of employees will be leaving Southern Bell service through 1996. In Florida the savings, excessive cost from that reorganization will exceed \$100 million, and Southern Bell does not want any of that to come back to customers through lower rates.

We've proposed there be step decreases each year reflecting those savings, and the people that are no longer needed to provide you telephone service.

Again, that goes back to technology.

Besides the profit level Southern Bell is asking, that we think is far too high, we have numerous accounting adjustments that will be presented to the Commission about the way they calculate their profits. There will be issues in the case about falsification of sales, the number of customers here in Orlando had services added to their bills without ever even talking to a representative of Southern Bell. We're also presenting evidence to the Commission that they falsify the reports they have submitted to the Commission concerning the quality of the service that they have provide you.

With respect to the option Mr. Lantaff
mentioned about local measured service, Southern Bell

is proposing that your long distance rates be reduced if, and only if, you chose local measured service. This is their expanded local calling plan that they are proposing. We want very much for the long distance prices to be lowered in this case, and think that there should be no tie-in or connection between your getting lower long distance prices and being required to take local measured service as a condition for getting that. So we're opposing the way Southern Bell is proposing that.

We're also proposing that Touch-Tone charges be eliminated. This is a service that costs virtually nothing to provide and the ratepayer would be paying a dollar for it; we think that should be eliminated.

We're working very hard to try to bring you -- or to get a result of having lower prices that you pay for telephone service. And the hearings will be starting next month in Tallahassee. Thank you.

CHAIRMAN DEASON: Thank you, Mr. Beck.

At this time I'm going to ask all individuals from the public who wish to make a formal statement to the Commission this evening to please stand and to raise your right hand.

(Witnesses sworn collectively.)

CHAIRMAN DEASON: Mr. Beck, you may call your

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first witness.

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MR. BECK: Dr. Ernest Steed.

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ERNEST H. J. STEED

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

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WITNESS STEED: Ernest Steed, and I live at 13 Pine Glen Drive, DeBary.

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Mr. Chairman, Commissioners, I'd like to say how much I appreciate the heavy responsibility you have, because I know that getting consensus in the modern world is very difficult. I spent some 22 years as an NGO with the United Nations and the World Health, and I know on some words you can go on for a long time.

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But I'm aware also that on this issue of the telephone you have sent forth your very important They sound actually inspiring.

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principles and objectives as I find in your publication, that I find very interesting and helpful.

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"Regulatory decisions that are fair, just and 21

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reasonable," and it goes on and it says, "The

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Commission's actions taken without delay, and in full

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accordance with the rules of Florida and the rules of

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the Commission."

Well, I appeared before this Commission, I think, a year ago and I followed with interest what's been happening, and I find that somehow -- I'm not going to belabor all the things that caused the delay -- but I think you have to admit and others admit there is delay. And I know that this might be your goal, but I don't think it's being achieved. Because a very simple but necessary item is robbing the telephone user of the lack of a decision. It's not the Bell Telephone Company that is the real problem here as I see it. The problem is that no decision is being made.

Now, you might feel that you have to look at all the facts but you can go on for all eternity and look at all the facts. I think some decision has to be made up or down. And I'm the one that's come in with some idea here and some idea there that gives you further reasoning, but there must be some time. And I was told last year that a decision would be made no later than March, and then we heard by this last November; now we hear it's going to be by May.

Now, I don't know how all importanct this, but it's important to me in the sense that I have come to live in DeBary. The "Cinderella city," it just became a city. And I found that it's struggled to become a city because it's been victimized, because

it's been discriminated against.

We are in the telephone center like in a little -- the area around us are all areas that are long distance. We move over just a few chains, you might say, and you could almost throw a stone to some areas and it's long distance. We have such a little area that we're paying the rates for that we call, for instance, down into Orlando and I'm paying almost the same rates that I would have to call my son in Washington, D.C., and I think this is absolutely ridiculous, when most of the people living in DeBary are retired or young people, keeping in touch with Orlando, most of the Orlando places for doctors, hospitals, business and all the rest.

It is an outer suburb of Orlando, regardless of what DeBary thinks of themselves as a city. The facts are that we are being isolated. Isolated by the most necessary and modern means today is the telephone, in which our friend says is going to be improved, and I would think rather than thinking ahead to all of this stuff coming out through the telephone wires, what we want now is a reasonable area. And I like the proposal of the Bell Telephone Company to put a circle around everybody everywhere of 40 miles. That if I'm in Lake Mary, I've got a 40-mile radius; and if I'm in DeBary,

I've got a 40-mile radius for a reasonable price. I would like to see it at the flat rate.

I think talking about 24 million, I think that could be done. But whatever it is, let us have a reasonable rate within a range. It might have been all right in the horse-and-buggy days to have down from the river from DeBary, and up a couple of blocks to Orange, to where we then start long distance. But it's not good enough today to have what you call your ordinary phoning area, telephoning area.

So I would appeal definitely that you folk, somehow, regardless of what I say or anybody else, make some decision so we know where to fight, so we know what to do.

But this is robbing the customers month by month when nothing is happening. And I don't think you can blame -- I know some people are blaming the telephone company. I've talked to them. They are just as interested in getting some decision as anybody else.

I want to say a word on behalf of Bell
Telephone. I found them very respectful when I have
appealed to them. They have made an attempt to put up
some plan. And they have found just as great a
difficulty in somehow getting some decision, and I
believe that it's time that some decision was made.

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Business is what we're talking about as well.

You know, we're reading in the newspapers everyday about in Russia, we're seeing the great changes there, the free market system. And from what I can see, we're starting to kill off the free market system in this country by overregulation.

And as a former churchman that spent time helping people with alcohol, tobacco and drugs, I think the story of Lazarus, when the Lord raised Lazarus and pulled him out, and he was in his clothes, the Lord said, "Loose him and let him go." I think that's what we need to do if we're going to move in this country. We've got to somehow loose people and let them go.

I can't believe -- I might be wrong -- I can't believe that everybody is a crook. I can't believe that Southern Bell was going to do some of these terrible -- there might be occasions, none of us are perfect. But I believe they want to give service. I believe also the Commission wants to give service. But as long as we don't get down and try to work together we're going to make this whole community worse than Communism, if we don't trust each other and say let us get something and get it done.

And so I appeal to you today, approve this plan, the 40-mile radius and develop it from there.

You might work out all the fine details, but once you 1 2 get a basic plan up you can shape it and hone it into 3 something. But it would be a wonderful service to 4 DeBary and Deltona if we can phone Orlando here for a 5 very reasonable rate. You've already started to make some measures on this over in Lake Mary and other 6 7 areas. They can have a 25-cent call and you can talk for ten minutes or half an hour whatever you want. We 8 9 don't have that in the great backwoods of DeBary. Isolated, cut off, discriminated, simply because nobody 10 11 will make a decision to help us. And now that we're a city, I can assure you that we will be complaining, 12 appealing, and praying that you folk will be successful 13 in what you're doing and that somehow we'll be brought 14 into the great realm of the community. We'll no longer 15 be that little back place but will truly be a city that 16 is giving us a hand to do something about decent 17 18 telephone. Thank you, sir.

CHAIRMAN DEASON: Thank you. Any questions?

COMMISSIONER LAUREDO: I think you need to know that I, and I think the Commissioners, the Commission in general, is just as anxious to get on with this case and make a decision. And it was not our decision to postpone the case. We accommodated other parties who, because of the complexity of the case,

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thought they needed to get more time to get more information to prepare for the technical hearings that start in January, just sort of like a trial, as you know.

In the meantime, we've been doing this last year. I was here this year, earlier this year. We have been in total of almost 20 meetings statewide. We've saturated the state reaching out to people to hear from them.

I just want to make sure that you and people that heard you on the point about the delay, it has not been delayed because of us. And I, personally, wish it would have been done last year, but you have to accommodate the parties that require due process.

But I agree with you, we need to move on, and we're doing it as fast as we can. We're confined to the legal society in which we live, due process and all that, and we accommodated that position. And I want you to know it was not our motion.

WITNESS STEED: Maybe it's the legal arm that needs moving a bit too. I think we can put down too many robots. I heard the word "voluntary," I think that would be good so that nobody is forced. But I think the people that want to get into it, I think they ought to have the right. That's what I'm appealing

1	for. At least let's try and move now. You can't
2	change the past. Yesterday is gone. We're here today.
3	And I think if you folk can say, you know, "We're
4	hearing it on so many things today, Mr. Chairman,
5	enough is enough." And I think you can hear so much
6	that it will never really change the ultimate thinking.
7	And I'm glad that you are willing to listen. I commend
8	you for that. And you're listening to me an extra
9	little bit too. But there must come a point
10	COMMISSIONER LAUREDO: You're going to invite
11	us after this is over to your new city so we can
12	WITNESS STEED: Oh, and when you make those
13	rates, we'll throw a party for you.
14	CHAIRMAN DEASON: Thank you, Dr. Steed.
15	(Witness Steed excused.)
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17	MR. BECK: Daniel Pulford.
18	DANIEL T. PULFORD
19	was called as a witness on behalf of the Citizens of
20	the State of Florida and, having been duly sworn,
21	testified as follows:
22	WITNESS PULFORD: My name is Dan Pulford,
23	Aachen Electric. I'm at 1218 Oberry Hoover Road,
24	Orlando.
25	My complaint here is of a nature of quality

of service.

Back in May of 1992 I contacted Southern Bell in regards to having my three 1-FB lines moved to a new location. A Bell representative advised me to do this by having my three lines changed to 1-FB lines and ordering another line to anchor three RCF lines to my one new 1-FB line. I started having problems with my new lines immediately following this new service.

I contacted Bell's service department and all other Bell departments that I knew of over and over for a period of over 400 days.

My complaint is Bell negligently provided me with an improper telephone system. Bell failed in quality of service for a period of over 400 days consulting with complaint No. 1. Bell violated a Public Service Commission tariff, No. A 13-11 G. And, four, the run-around system that Southern Bell used in avoiding Complaints 1, 2 and 3. I've got documentation of each one of these four complaints I'd like to submit, and I'd like to keep this just as brief as possible.

CHAIRMAN DEASON: Very well. You provide that to -- perhaps the best thing to do would be to provide that to Mr. Beck. Mr. Beck can then review that and make copies and provide it to everyone. We'll

_	recording that as immibit no. 8.
2	(Exhibit No. 8 marked for identification.)
3	COMMISSIONER LAUREDO: You're aware if you
4	have any problems in the future that we have an office
5	that some of our Staff is here that would have been,
6	had you known, that also could have helped look into
7	the complaint from the Public Service Commission, as
8	well as your own. You're running a business yourself?
9	WITNESS PULFORD: This is a complaint against
10	Southern Bell.
11	COMMISSIONER LAUREDO: But, I mean, as your
12	business line? You run a business?
13	WITNESS PULFORD: Oh, yes. Electrical
14	service business.
15	MR. BECK: Questions, Mr. Pulford? Have they
16	satisfied you yet?
17	WITNESS PULFORD: No, not at all. I've yet
18	to receive my final reply from Southern Bell.
19	CHAIRMAN DEASON: You have been in contact
20	WITNESS PULFORD: All their information they
21	have, I have got a file that thick at home.
22	CHAIRMAN DEASON: Have you been in contact
23	with representatives from the Public Service
24	Commission?
25	WITNESS PULFORD: Yes, about seven or eight
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†	or chem.
2	CHAIRMAN DEASON: And they do have the basic
3	information surrounding your complaint then?
4	WITNESS PULFORD: They're putting it
5	together, yes.
6	CHAIRMAN DEASON: Okay. Very well. If you
7	could give that information to Mr. Beck, he'll see to
8	it that gets provided to the appropriate persons.
9	(Witness hands document to counsel.)
.0	(Witness Pulford excused.)
1	MR. BECK: Valerie Hickey-Patton.
.2	VALERIE HICKEY-PATTON
.з	was called as a witness on behalf of the Citizens of
.4	the State of Florida and, having been duly sworn,
.5	testified as follows:
.6	WITNESS HICKEY-PATTON: I'm Valerie
.7	Hickey-Patton. I represent AARP. I am on the AARP
.8	legislative committee.
.9	My address is 5651 Jean Drive Orlando 32822.
0	AARP members want a basic affordable
1	telephone service with a reduced rate for all.
22	Now I might say that the AARP members have no
23	complaints with the service that Southern Bell gives.
24	It's just the rates that we're complaining about.
25	When you think of what Southern Bell proposes

-- measured service, it's like having a telephone booth in your living room, so much for each call. And then the operator will come in and she'll say, "Another two cents, please."

That shouldn't be. Old people and young people use the phone as a means of communication to relatives, friends and business. They cannot afford to socialize outside the home, so the phone is their entertainment and many times they speak for 30 to 60 minutes and sometimes more. It would be a disaster to charge 2 cents a minute for that.

Southern Bell should reduce the rate of return. We, you and I, can get only 3 to 7% if we're lucky. They receive 13.75%.

I'm in favor of Southern Bell making money.
We're in favor, that's the American way. But I think
13.75 is a little bit too much. I think it's a little
out of line.

So I say to Southern Bell you have some employees with the smartest minds in the nation. Put them to work to give us reduced rates across the board with no increase. Thank you.

CHAIRMAN DEASON: Thank you, ma'am. Any questions?

MR. ANTHONY: No, sir.

(Witness Hickey-Patton excused.)

MR. BECK: Mr. Belote.

MONTE BELOTE

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was called as a witness on behalf of the Citizens of the State of Florida and, having been duly sworn,

testified as follows:

WITNESS BELOTE: Thank you. Good evening,
Commissioners. My name is Monte Belote. I serve as
Executive Director of the Florida Consumer Action
Network, as a grassroots consumer environmental lobby.
I'm here to speak as a customer of Southern Bell both
past and present. FCAN has more than 42,000 members
from Key West to Tallahassee, including an office in
Fort Lauderdale and an office in Gainesville, which has
given us some specific experiences with Southern Bell
that I'd like to talk about, in addition to some
general statements about the rate plan in front of you.

We believe that it's time to bring Bell's rates back in line with the economic and technological realities of the 1990s. We agree with Public Counsel's assertions that Bell's rates are at least \$250 million in the totality too high. And the leading causes are a failed incentive regulation plan, which is shared not a penny with customers, and a rate of return or profit

that has hovered near 14% at a time when the average customer is lucky to receive 3% on their savings. I myself receive 2.5%.

Bell will tell you that they have a plan to lower rates. In it they include more than \$48 million a year in accumulating overcharges that were generously given in 1988 by your predecessors on the Public Service Commission. It was Bell's self-serving efforts to attempt to redistribute the wealth of that \$48 million in 1991 that led us to intervene in a petition along with Public Counsel, Attorney General and the AARP that has resulted in this hearing on this rate case tonight. We're here to tell you that we expect real rate reductions from this case and not a double counting of money that consumers are already getting back.

One area that cries out for rate reductions is the area of Touch-Tone service. In the 1970s it made great sense to charge for Touch-Tone telephone service. We needed to build a network. But with today's digital switching and networks, it's as basic a service as dial tone. In fact, about the only cost in involved today in providing Touch-Tone telephone service is the cost to put a blocking device on the line of customers who don't subscribe so that their

rotary phones will work. And my question to Southern
Bell executives would be just how many rotary phones do
you have in your headquarters? I don't know too many
that are still working with rotary dial phones; more
than 80% of your customers are working on Touch-Tone.
It's time to put that cash cow out to pasture and quit
charging us a \$1 a month per line for something with
virtually no cost associated with it.

We applaud Bell for abandoning their proposal for price cap regulation when they refiled this current rate case, but suggest that they did not go far enough. There's a need to overhaul or abandon the current incentive regulation plan. While every other telephone company in Florida has their rates based on reasonable and prudent costs, plus a fair rate of return on investment in their network, Southern Bell has enjoyed a special incentive plan.

If this plan were done right it would result in greater efficiency, it would reward workers for helping to make that happen and it would let their customers share in the savings generated by such a plan. Instead, the current plan has led to falsified repair orders because of Bell's inability to meet service standards. Worker intimidation sells services that customers did not want and consumer rip-offs so

blatant that they caught the eye of the statewide grand jury.

The current incentive rate plan, in our opinion, has only provided incentives to rip off Bell's customers and should be abandoned. Our experience is Bell's customers backs this up.

When we first ordered service for our Gainesville office we could not leave the line without being forced to sit through a sales pitch for inside wire maintenance plans, and after this Commission ordered refunds to customers in 1991, it took us nearly six months to finally get that refund. Hardly a stellar track record worthy of incentive rates.

Of course, the most controversial portion of the plan is Bell's attempt to open the Pandora's Box of local measured service. Bell will tell you it's just choice. We're here to tell you that what Bell is offering is no real choice at all. If you want the lowest local long distance rates, you have no choice; you get local measured service and begin paying by the minute for your local calls.

The experience in other states shows that once started, local measured service quickly becomes the only choice. Do you want to pay two cents per minute for all your local calls? I don't. And we

FLORIDA PUBLIC SERVICE COMMISSION

don't, and I doubt many people here tonight do either.

Just being put open hold would cost on fortune under

Bell's proposed plan.

Bell, unfortunately, has made all the choices for us. They could have lowered local long distance rates without tying to local measured service, as GTE did in the Tampa Bay area, instead they chose not to. They could have offered expanded area service, what their customers have been clamoring for for years, larger areas of flat rate local calling as the gentlemen earlier tonight requested, but they chose not to. Instead, Bell has chosen to attempt to start down the slippery slope to installing a pay phone in every living room. We don't want local measured service, period.

Bell's customer rip-offs, in our opinion, should not go unpunished. Although the grand jury found nearly \$15 million in rip-offs on inside wire maintenance repairs orders, all they could do was order refunds. It's up to the Public Service Commission to order a penalty.

We're here tonight to ask you for the strongest possible penalty, because without such a penalty there is no disincentive for overeager management to simply do the same things again, and next

time maybe they won't get caught.

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The gentlemen earlier talked about endless delays in the case, which points primarily to Bell's foot-dragging in turning over documents necessary to prosecute this case. In fact, Southern Bell has pled cases all the way to the Florida Supreme Court in an effort to keep from turning over audits and other documents critical to this case. This foot-dragging, in our opinion, goes beyond the definition of a reasonable and prudent cost, as does many other things that have come to light in this case, including artwork which hangs in the Company's headquarters in Jacksonville, chauffeur service for key executives, membership dues to chambers of commerce and lobbying organizations and sponsorships of major supporting events, including golf tournaments and the Orange Bowl. We're here to urge you to set Bell's rates on the basis of reasonable and prudent costs and a fair rate of return. We all expect to pay that but not a penny more.

In conclusion, I'd like to urge everyone that's here tonight to come forward and tell the Commissioners, and applaud you all for coming out. As Commissioner Lauredo pointed out you're 14 to 15 so far on service hearings in this case.

If you don't want these things that we've talked about, come forward and tell the Commissioners. If you don't want to pay for Touch-Tone service, come forward and tell the Commission. If you don't want to pay for local measured service under any circumstances, come forward and tell the Commission. If you want expanded local calling areas, as this gentlemen does, this is your chance to come forward and tell the Commission. We thank you for this opportunity for folks to come forward and tell the Commission, and I'll stop and I'll answer any questions if I can. Thank you. CHAIRMAN DEASON: Questions for Mr. Belote? Thank you, sir. MR. BECK: Thank you, Mr. Belote. (Witness Belote excused.) MR. BECK: Mr. Chairman, that's all the customers we have that have signed up ahead of time. CHAIRMAN DEASON: Okay. Are there customers 21 of Southern Bell who wish to testify who have not yet 22 signed up on Mr. Beck's list? If you do wish to 23 testify, would you please raise your hand? A representative from the Public Service Commission will 25 sign you up so that you may come forward and testify.

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Any other individuals who wish to testify this evening?

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Let the record reflect that there are no other individuals indicating that they wish to testify this evening.

I'd like to take this opportunity to thank everyone for coming out this evening. We appreciate your comments, and as I indicated to you earlier, your comments will become part of the official record and will be evidence in this case. And will be relied upon by the Commission in deciding the outcome. And I would want the record to reflect that we are striving to keep this case on its present schedule. There have been delays, as Mr. Belote indicated. There were, as Commissioner Lauredo indicated, there are some due process questions that came into play and the Commissioners felt obligated to make sure that all the parties be given their due process and it necessitated the delay. But everything indicates now that the case will be going to hearing early next year in January, and right now we hope that the case will proceed on schedule. It's certainly been the intent of the Chairman and other Commissioners to see that it stays on schedule.

Once again thank you for your input and

comments. If there's nothing else to come before the Commission this evening, this hearing is adjourned. Thank you. (Hearing adjourned at 6:45 p.m.)

1	FLORIDA)
2	CERTIFICATE OF REPORTER COUNTY OF LEON)
3	·
4	I, JOY KELLY, CSR, RPR, Official Commission
5	Reporter,
6	DO HEREBY CERTIFY that the service hearing in this cause, Docket No. 920260-TL, was heard by the
7	Florida Public Service Commission at the time and place herein stated; it is further
8	CERTIFIED that I stenographically reported
9	the said proceedings; that the same has been transcribed under my direct supervision, and that this
10	transcript, consisting of 36 pages, inclusive, constitutes a true transcription of my notes of said proceedings.
11	DATED this 17th day of December , A. D.,
12	1993.
13	JOY KELLY, CSR, RPR
14	Chief, Bureau of Reporting
15	(904) 488-5981
16	
17	
18	STATE OF FLORIDA)
19	COUNTY OF LEON)
20	The foregoing certificate was acknowledged
21	before me this 17th day of December, 1993, by JOY KELLY, CSR, RPR, who is personally known to me.
22	
23	Patricia a. Church
24	PATRICIA A. CHURCH Notary Public - State of Florida
25	COM. NO. CC-90785 Notary Public, State of Florida My Commission Expires April 20, 1995 Bonded Thru Troy Foin • Insurance Igg.

FLORIDA PUBLIC SERVICE COMMISSION

The Orlando Sentinel



633 North Orange Avenue Orlando, Florida 32801-1349

TO WHOM IT MAY CONCERN:

0: 920260TL This confirms that the advertisement λ published in The Orlando Sentinel on L

Tearsheets are not available.

Cordially,

Barbara Trimble The Orlando Sentinel

Accounting Department

BEVERLY C. SIMMONS My Comm Exp. 3/10/97 Bonded By Service Ins No. CC263839 Personally Known

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LEGAL NOTICE NOTICE OF PUBLIC HEARING

The Florida Public Service Commission has scheduled a public hearing in Docket No. 920260-TL. The purpose of this docket is to review Southern Bell's operations under its incentive sharing plan and to consider Southern Bell's proposal for extension of that plan. It will also consider the Company's proposed rate changes, including the proposed optional Expanded Local Service Plan, reductions in intraLATA access charges and certain custom calling feature rates, a restructuring of service order charges and a reduction of certain business line rates.

For the convenience of the public, the Florida Public Service Commission has also scheduled a service hearing as follows:

> Tuesday, December 14, 1993—6:00 PM City Council Chambers 400 S. Orange Avenue Orlando, Florida

At the above time and place, members of the public may appear to testify as to their interest in this matter. All persons desiring to present testimony at the hearing should, if possible, bring bills or other documentations regarding their telephone service. Customers are urged to attend on time. If no customers are present, the hearing will be adjourned. The Public Counsel, the citizens' representative in matters before the commission, will be available at least 30 minutes prior to each hearing in order to meet members of the public who wish to testify. Prior to that time, inquiries should be directed to The Office of Public Counsel, c/o Florida House of Representatives, The Capitol, Tallahassee, Florida 32399-1300.

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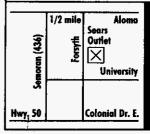
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- Refrigerators
 - Some with Icen
 - Some with Adju
 - Both Top Free;
- Various Colors
- 18 Cubic Feet

reduce

Selected

- Refrigerators
 - Some with Icer
 - Both Top Free:
- Various Model



3825 Fo Winter Par 677 Mon-Sal Sun 12 Now more way grozbo Amice Hanns Service Hanns

Sometime in April-May of 1992

I Daniel 7 Pulford contacted Southern

Bell in regards to having my

3 IFB lines moved to a new

location. A Bell representative advised me to do this by having 365-6771 249-3876 281-0136 4(1FB lines) changed to RCF lines and anchor them to my a new IFBline. I started having problems with my new lines immediately following I contacted Bella service Dept.

and other Bell Depts. that J could knew of over and over I for a period of May of 1992 5) time July of 1993. a. Complain T 1 Ma Bell negligently provided me with an impropen telephone system. Dell failed in quality of service

The Ma Bell failed in quality of service

Ifor a period of over Tyear in Solving

Complaint *1 Complaint # 3 Ma Bell violated Public Service Com-Imision Toriff # A13.11.2 G

IOMPHAINT # 4 Maybe your lawyers can figure this one Complaint #4 The runaround system that Ma Bell used in avoiding complaint 1,2,

BELLSOUTH
TELEGOMMUNICATIONS, INC.
d/b/a SOUTHERN BELL
TELEPHONE AND TELEGRAPH COMPANY

GENERAL SUBSCRIBER SERVICE TARIFF

Fifth Revised Page Cancels Fourth Revised Page

CFEECTIVE: November 4, 1

185ULD September 5, 1991 BY, Joseph P. Lacher, President • FL Miami, Florida

A13, MISCELLANEOUS SERVICE ARRANGEMENTS

A13.11 Remote Call Forwarding (Cont'd)

- C. The Company will not provide identification of the originating telephone number to be recommended for Forwarding customer.
- D. Transmission characteristics may vary depending on the distance and routing necessary to complete the remotely forwarded call.
 - E. Remote Call Forwarding is not represented as suitable for satisfactory transmission of data.
- Remote Call Forwarding is provided on the condition that the customer subscribe to sufficient RCF tearures and facilities to adequately handle calls to the RCF customer without interfering with or impairing any services offered by the Company.
 - H. When the Call Forwarding number is to be located in a multioffice exchange, the Company will determine the serving central office.
 - I. Remote Call forwarding will be provided for local calling where the RCF telephone number and the terminating station are both located in the same exchange. Further, Remote Call I orwarding will be provided for local calling on an interexchange basis in those instances where the exchange serving the RCF telephone number and the exchange serving the terminating station have the identical local culting area, or are within an Extended Area Service arrangement as specified in Section A3, of this Tariff.
 - If the use of Remote Call rollwarding service is primiting as patroanistic of histories professional institutional or otherwise occupational nature, i.e., nunresidential, or if the listing used is such as to indicate nonresidential use, then calls will not be forwarded to any telephone number for which residential rates apply.

MEXTO.

Here is a list of the employees involved in the Pulford Electric case, telephone 457 349-5989.

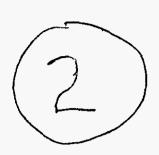
1. Natalic Herring, 05-18-92. This service rep placed the 3 TOP orders, changing three 1PB lines to 3 RCF lines, all with the same CFM number.

- 2. Rate McClain, 06-23-93, 07-08-93, 07-08-93, 07-18-93, 07-27-93. This service rep handled the problem by investigating the customer's complaints with repair, making the recommendation to increase the number of lines, insuing the "C" order for the two lines and jacks, reaching an agreement with the customer to install the two lines at no charge in line of a local service adjustment.
- 3. Sandy Dailey, 06-25-93. This service rep took a message for Kate McClain (she was off that day). The quatomer told has they the trenhis storied in 1997 and ended in January or Pabruary 1993.
- 4. Debbie Nations, 07 29-93. Mr. Pulford spoke to her regarding a facility delay with the two new lines (CF condition). She notified the engineer to expedite the order and the service was connected on 07-30.

As you can see, Rate McClain dealt with Mr. Pulford on several occasions, and she was instrumental in solving the problem.

If I can assist you any further, please let me know.

Karen Entalalia 305 492-3519





Southern Beli

15881 Southern Bell Tower 301 West Bay Street Jacksonville, FL 32202

November 19, 1992

A Amchen Electric 175 Lake Proctor Road Gen, FL 32732

Dear Dan:

Per our conversation on November 18, 1993, here is the information you requested. On your phone number 407-349-5999. The repair reports from May, 1992 thru January, 1993 are as follows:

Reported	Cleared
5/26/92 5/28/92 6/28/92 8/11/92 12/17/92	5/26/92 5/28/92 6/29/92 8/12/92 12/17/92
1/27/93	1/26/9

On the phone numbers 407-249-3876, 281-0136 and 365-6771 the additional Pathways on the Remote Call Forwarding were added September 10, 1993.

Sincerely.

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15BBI So. Bell Tower 301 W. Bay st ... Jacksonville FL 32202

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secember 1, 1993

1 AAchen Electric 75 Lake Practor Road jan FL 327.32

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Per your Request here are the dates phone number or 349-5999 was reported to So. Bell. The Gasir reports From January 92 thru September 1993 are as Follows:

Reported	Cleared		•
01-27-93	01-88-93	· · · · · · · · · · · · · · · · · · ·	
02-05-93	02-05-93	e me e e a a e e e e e e e e e e e e e e	• •
07-27-93	67-28-93	· · · · · · · · · · · · · · · · · · ·	
07-89-93	07-29-93	• • • • • • • • • • • • • • • • • • • •	
09-13-93	09-13-93	e especiales e. ,	

The last of weeks in January 1993 the telephone umber 407 349-5999 had tests Run on it every day on the central office. The two people involved with this ere Jim Bueke and Larry Daughtry. This is ALL the records the out of Service Reports Fix 1993

Sincerely, Outre Ricci. Lynne Ricci

Service Representative





September 3, 1993

Pulford Electric Inc. DBA A Aachen Electric 175 Lake Proctor Rd. Geneva, FL 32732

Re: 407 349-5999-021

Dear Mr. Pulford:

I am writing this letter in reference to your complaint registered with the Public Service Commission.

As we discussed, you had arranged to have three separate Remote Call Forwarding lines connected on different dates. We determined that there isn't any means of knowing whether you or the Southern Bell service representative had discussed the number of lines in existence each time that you requested an additional Remote Call Forwarding line.

I am pleased that we were able to resolve this problem for you. I apologize if there was any misunderstanding regarding your telephone service.

Sincerely,

Karen Payne

Customer Service Specialist

Southern Bell

Special Assistance Bureau 888 N.W. 75th Avenue Ruom 804 Minmi Planda 33126 (305) 263-4816 1-800-321-4327

September 3, 1993

Memorandum to: Ruth McHargue

From: Marie Forbes

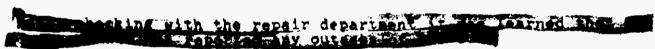
Re: Dan Pulford

DBA A Aachen Electric 175 Lake Froctor Road

Geneva F1. 407-349-5999

Case No. 74059-P

Our investigation reveals that on 6-23, the customer called to advise that he had been having problems with his service since sometime in 1992 up until January or February of 1993. The customer advised that he had reported this to a supervisor in repair and that he matted an adjustment for 5 months to a year. We agreed to investigate and call back.



The customer had one business line and 3 separate Remote Call Forwarding lines. There was not enough lines to handle the incoming wall load from the 3 remote lines.

On 7-9, we called the customer and explained that he would need to add two more lines with hunting, or disconnect two of the remote lines. The customer decided to have 2 additional lines connected, with hunting and call waiting service on the last line of the group.

We explained that we would not bill an installation charge for the 2 new lines and three jacks. The customer stated that he would agree to this in lieu of a local service adjustment. The 2 lines were installed on 7-30 -93.

Upon receipt of the appeal. Ms. Karen Payne, attempted to contact the customer to discuss the appeal Word was left with the customer's secretary for him to call.

A BELLSOUTH COMPANY

15BB1 Southern Bell Tower 301 West Bay Street Jacksonville, FL 32202

July 9, 1993

Pulford Electric Inc. DBA A AAchen Electric 175 Lake Proctor Rd. Geneva, FL 32732

Dear Mr. Pulford,

This letter is to confirm our conversation on July 9, 1993. We have agreed to install tow telephone lines at no connection fee. This should alleviate the problem you have experienced on your remote call forwarding telephone numbers.

Your monthly charge rate that you would be responsible for is as

follows: Line Charge \$25.75 per line FCC \$ 6.00 per line anything beyond this point is optional rollover per line is
\$13.15. If you decide not to add the lines you will need to disconnect
two of your RCF telephone numbers.

Mr. Pulford I will be on vacation from July 12 to July 14. I will call you on July 15th or you can call me collect 904 350-4251. I will be glad to set them up for you.

Thank You,

Late

Kate McClain

Movember 2, 1983

Memorandum to: Paula Islar

From: Marie Torbes

30: Dam Pulford 407-281-0136 407-888-7836 407-868-0771

Trouble history on the above three remote calls lines from 5-92 to 2-83.

407-261-0186:

There are no report of any kind on this account.

407-656-7656

On 8-21 reported a problem of calling party receiving a busy signal. We changed out the serial facilities.

On 8-98, the quatomer report a no dial tone condition. We were in the process of changing the type of service to the resote call forwarding service and this was a natural condition while the work was in progress.

407-355-4771

There were no reports on this account.

The customer did call 4 times and gave this number, however, the correct number that the trouble involved was 407~349-5989 his other service number.

City Council Chambers 400 S. Orange Ave 12/4/93 6:00 PM

Southern Bell negligently provided A Aachen Electric Incwith an improper telephone system. Decuments 2 la. verifies this.

Southern Bell violated Public Service Com. Tariff insodoing about complaint. Document is copy of Tariff.