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TLORIDA PUBLIC SERVICE COMPISSION

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BEFORE:

> CHAIPRAN JULIA L. JOHNSON COMHISSIONER J. TERRY DEASON CONHISSIONER SUSAN F. CLARK COHMISSIONER DIANE K. RIESLING COMRISSIONER JOE GNRCIA

DATE:
TINE:

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

RAPORTED BY: JOY KELLY, CSR, RPR Chief, Bureau of Reporting

Fanczerpatime:
Jo. 日ine yepresenting the City of Jacksonville.
ser whin, ropresenting AWTEWL and Nortvest.

Bavid firIM, representing st. Joseph and Guincy Telephone Companies.
nixameractve Mant
momen manis, FPSC Division of Legal
services.
CMnI: PGheosyir, FPSC Division of Legal
Services.
trxita cox, FPSC Division of Legal
Services.
Enge mxDth. FPSC Division of
comunications.

> (Eearing convened at 9:35 a. ()
> cmy
complicated issues and I will give the parties some leeway in aking their particular presentations. But vith that in gind, I understand that Representative Armall is here to speak on Itea 6 or here to participate in Iten 6, and I thought that perhaps we could take that out of order in order to accomodate him and his busy schedule. If ve could, then, proceed to Iten 6.
staff.
2, Finneariti Comiseioners, in Item 6 Staff recomends in Issue $A$ that the Comission reopen the record in this proceeding for the 1 imited purpose of considering letters from the MANC, Bellcore and the FCC. If the Comission decides to reopen the record for this purpose, staff recomends that the Commission defer its decision on the NLLTEL Northeast zotion for reconsideration; that the parties be provided with an opportunity for discovery relative to the letters; that the Comission convene aearing on April 16th limited in scope to the letters, and following the liaited hearing on the same day that the Comission make a bench decision on the motion for
reconsideration of Order Number PSC-97-1038-FOF-TL.
If the Comission decides not to reopen the record as recommended in Issue $A$, staff has provided its recomendation on the motion for reconsideration, and request for oral argument as well as Jacksonville's motion for leave to participate and request for oral argument in Issues 1 through 4.
and as the Chairean has noted,
Representative Arnall is present before the Comission and wishes to address the Comission this morning. conoussiont crive: Thank you for that presentation.

One question, Representative Arnall, before we start. There is a procedural issue here and that is the record is closed as staff has stated at the moment, and I need a little advice from counsel as to how we proceed and what is the proper course of action.
4. FipIv.is Comiseioner, gy
understanding is that you have had a hearing. That hearing has taken place and that record is closed.

We gind ourselves at peculiar place along this road. Hy understanding of the staff recommendation is that they believe that there is new evidence that should be considered by the comisesion.

I believe it is within your discretion upon hearing that there is other evidence to open that record to be fully inforzed.
cenerally, we do not do this, and, again, this is because my understanding is that nev information has come out. Noreally at this stage of the process we vould not hear from anyone, save Staff.

I do need to advise you that a precedent that was established when Comiseioner Clark vas Chairman, and that involved two situations. One, curiously enough, involving the 954 area code where Representative sanderson care to this Comission to speak and appeared before you at exactly this stage of the proceedings.

I had a conversation vith Ropresentative Sanderson and she elected not to speak. However, in the course of talking to Representative sanderson, I did tell her what susan clark told me; and that is, "I will not prevent a sitting member of the legislature from addressing this Comission." And Ropresentative Sanderson and later senator Xurth both elected, when provided that opportunity, not to speak.
conresionn chans Rob, I think what you need to say is that my decision vas that they would have the opportunity to speak, but then we vould have
to delay processing it to give other parties the chance to respond.

日. Diprvis There's no question about that. I've spoken to Representative Arnall and he understands that you all could not ake the decision today.
chreman sormows okay. so if ve allow Representative arnall the opportunity to speak, ve'd have to delay and give the parties, what, ten days to coment on any of the statoments that he made?
!. Vidivis Yes, ea'an. Considering the peculiar posture of this case, it would seen to se that two tracks be available to you. And, again, I'n assuming that you intend to follow Comissioner Clark's precedent. But vere Representative Arnall to speak today, we could put that as an ex parte comunication, ve could transcribe it, provide it to all the parties, give them an opportunity to respond to same, and go forward. And that would be an ex parte communication in the record.

The other track available to you, it seans to me, is to reopen the record as the staff has suggested to you. If you chose that route, you could, of course, defer everything to the 16 th to hear the evidence at that time.

I also believe that it would be possible to hear a very linited presentation from the parties today, and although it would not -- if you chose to reopen the record, we would then put that out for all parties to again reapond to. and ve vould liait the 16th hearing to auch aubject antter as the new ovidence and any responses to what you may or may not have heard today.

And, again, to the extent that today's presentations vill be ex parte, I do not believe you could rely upon thea in reaching your decision.
comaresionis axcras all right. so what you're saying, Rob, is if we approve Issue $A$, then we can listen to -- or Mr. Pellegrini, you can go ahead and ansver -- ve can listen to anyone who wishes to testify today. We can open up for discovery and then on the 16 th, we make a bench decision with all this new inforation that is before us. And then on the 16th, you said, if I'm in the gistaken, ve make the decision?
m. FRhbenyirs Yes, Comaissioner.

Becauce of the ten-day notice requirement concerning ex parte comanications, comment today by the parties relative to Representative Arnall's remarks may be inappropriate and it may be more
appropriate -- it may be appropriate, that is, to delay the responses until the 16 th.
comoussiomit anscias Either way, though, it's part of the record, correct? and ve can allow then to speak today if we approve Issue $A$, correct? m. Nuidivar yes, but I believe the Conmission needs to collectively anke that decision if you do vish to reopen the record.
comaresiomita anctaz Correct.
cintarin somsoms as to the issue of
Representative arnall speaking, and I understand in the past the Chairman had sade that decision.
m. Findyst yes, man. That's what I was told by Chairman Clark at the time. And, again, I agree with Chairman Clark that it would delay the proceedings.
cminon somsen: well, as it relates to that issue, as Chair, I would allow Representative Arnall the opportunity to speak before the Comission, understanding that there are some other procedural issues that we may have to deal with. But allowing him to speak, I think, would be appropriate then, and then allowing the parties, if necessary, to respond. We can do that through either forwa, through the ex parte forw or through opening the record to
addrese the limited issue of the HaNc, Bellcore and FCC letters.
me. Viprvisi Yes, m'an. And having made the decisions that you've just made. I do believe this to be within your discration. It's never - - there's no case law on this to my knowledge. Again, it's a peculiar thing where someone has come forward vith new evidence after the record has cloeed, and that's my understanding of what the MaNC letters are. I know that you all haven't seen them.
comaserout EIEazIm: I have a question about the scope of the hearing on the 16 th if ve do vote out Issue A .
*. Vidvisi Yes, mean.
concrescmin EIEsLIMes And that question is does that mean that we're going to have the authors of these letters available as vitnesses? How are ve going to deal with these letters?
 thought at the present time vould be to conduct deposition discovery of the uriters of those letters and then to adait that deposition testimony into the record at the hearing, avoiding the need for live witnesses at that time. That's our present thinking. comuseronit EIestymes Okay. Thank you for
clarifying that.
cminan somsoms Would it be appropriate then to vote on Isaue a before we hear froa any of the -- hear from the representative or anyone else that ve might decide to hear from and that is the question of opening the record.
comresiomit charis then you can avoid, I think, the ex parte concerns.
m. Tindivis Yes, you can.
comuseromis anciaz if we're reopening the record --
cmrany somsons then it's not an ex parte concern.
coversesions easctas okay. But can those who voted in the ainority last time vote --
comacsions chanz can ve move this issue?
comiresicuin ascias yeah.
cingean somacks if we can't, I can. But I think -- what's the legal position on opening the record? can all of the comissioners vote or does it have to be someone in the majority?
ma. Nampive: My bellef is that the lav is that on reconsideration only a comaissioner that voted with the majority may move to reopen the record.

However, in this situation where there's
been an allegation of new ovidence, it vould only make sanse to that any Comaissioner could make that initial motion. And that's my opinion. of course, there's plenty of layyers in the roon who would no doubt disagree with that.
comareacer Exestrust Well, I agree vith it, so I don't think we have a problen anong the Comissionars.
4. Pranconymi That's staff's view of the lav, as vell.
comiseromit canks I sove staff on Issue A.
contresone encias second.
caremp someons There's a motion and second on Issue A. All those in lavor signify by saying aye. Aye.
comseezout cranes Aye.
contrescuit axicis dye.
cinIturn sonason: opposed.
coneseazant EIEAEImG: Nay.
comicessome Drasent Nay.
cinviny sonsols the motion passes on a
3-2 vote. How, the record vill be reopened.
触. קimivar Yes, meam.
cincuan sombous We've at least determined
that ve vill allow Ropresentative Armall the opportunity to epeak.

リ. Vimatis yes, mean.
cnumy scuscits There are other issues. Are those issues still relevant or what do ve do? I know you had suggested that ve defer the motions for reconsideration until after ve have the one-day hearing.
4. Prisconvis: Yes. Mow it vould be appropriate, having reopened the record, to permit parties to exasine the documents in question, that is, the communications, and then to consider them at the April 16th hearing in the course of reconsideration.
comaresion enver Does staff have the letters for us to look at?
2. Gesiz We'll get you copies?
conousescom chans you don't have them now?
m. Casizs Yes, I do. I mean there's about six or seven.
concresion: cines Oh, all right. That's all right.
cinremin somson: As it relates to the other issues, I think the Eirst, Issue 1 , was a request for oral argument on a motion for
reconsideration. Mow, how do ve handle that because the motion for reconsideration has been deferred?

所. Prismenzis I vould auggest that the Comeission defer consideration of Issues 1 through 4 until the April 16th hearing.
c.axamy sornext okay.
y. Firksensir: all you need to do today is what you have done so lar, that is, to vote to reopen the record the record and to take the testimony of Representative Arnall and of any parties who ay wish to respond today.
cnimm sounsom: There are a couple of other issues, though. The Jacksonville issue.
M. Phiscorimis Yes.
cmitun semsod: That one ve vould have to entertain today, would ve not?

归. pursearyzs I think not, necessarily, Comissioner.
conteun somsoms okay. Very vell. And then to the extent that Representative Arnall makes his presentation, if there is a need to respond, that can be done on the bearing on April 16th?
4. Purngenyis correct.
comicescmit ancis Well, I vould assure, Chaizman, that mabe this vould be good opportunity
since we have scee of the parties here to go ahead and listen to then since the record is open. And on the 16th if there's someone else who vants to speak to us, that's \&ine. But if we have parties before us, such as the City of Jacksonville, since ve have an open record, this might be the proper time as long as it's vithin this short --
comarcezcult phace: lat me ask a question at this point. I mean, I thought that ve acted upon our staff's recomendation that the record chould be reopened. I dieagree with that, but the eajority rules. I accept that. We've reopened the record. But I understand that motion and the action that was taken vas to reopen the record for the linited purpose of considering these letters, which I have not seen. Are we reopening the record to have another hearing on any and everything that may pertain to this docket?

ย, Phhmenzri No, Comissioner. What you voted, I believe, is to consider the letters, the Bellcore, FCC and mavc letters, as vell as the coments that Representative Arnall will make today and the response of any parties to those reanks. I think today if Representative Arnall is peraitted to address the comission, parties who wish to should also be pernitted to address those rearks. However,
some of the parties, if not all of the parties, eay vish to delay their reariks until they have had an opportunity to consider the Representative's remarks and respond at sone point in the future, that is, between now and April 16th or at the hearing on April 16th.
congresiomis prasom: Well, are we then reopening the record, or are you saying we are reopening the record and that persons can now intervene and new issues can be raised and ve're going to have another full-blown hearing?
ais. Vipretis I believe it to be vithin you all's discretion as you are reopening the record as to which issues you may or may not vish to address.
ciarem sommous I think it was pretty clear, at least in staff's Issue $A$, that ve reopen the record for the limited purpose of taking information on the FCC, MANC and Bellcore letters. And that we were not reopening the proceeding to add additional parties and to open all fact-qinding up on all and every conceivable ismue. We're not doing that.
ti. Ribrvis the only wrinkle being
Representative Arnall's presence here today.
cingman somsoms Right. And the way that that could be addressed would be the parties vould
have an opportunity to whatever coment that he made -- it's being transcribed -- they can provide any comaents at our bearing.
comareszomit ervars I concur with that description of how we're proceeding.
un. Vimprikz and I believe that action to be within your diecretion. as I said, I do not have case law on this point. That is my belief.
carrmin somsoms and then the other iasues vould be deferred until April 16 th or do we vote those today?
comarsezont myalime: No, they are being deferred.
comareazomit Crapt: Right.
conareazonin riselimes Isaues 1 through 4 would be deferred and would be voted on as part of the bench decision at the end of the April 16th hearing, if I understood that.
ciniman somsom: Well, that's what I understood, there was only one vrinkle with Jacksonville, and I guess they're requesting the opportunity to participate, but I guess ve could take that up on the 26 th. They aren't just requesting arguent on the motion; they are requesting an opportunity to participate.
2. Pithemitit Jacksonvilie, the City of Jacksonville? That's correct. cingnan sormece: Take that up on the 16 th , too?

リ. Embtcrivis Yes.
cintion sousectis okay.
me. Phenemis: and I vould caution, Chairan Johnson, that if parties are permitted to address the Comission this morning for the limited purpose discussed that only parties of present record be peraitted that opportunity.
chimun someons Exactly. And that's kind of where I was going. You had suggested that maybe we let the parties participate. Then ve'd have to deal with -- Jacksonville is not a party, and I vas wondering if we had to deal vith that issue today. But we can reserve all of that and take all of the comments.
n. Pursearyis I think it would be appropriate for you to take up the Jacksonville petition today 18 you chose in light of that.

My recommendation is that you defer that decision until the 16th.
candun jomimens Okay.
m. Praneerifis One further coment
concerning the evidence that would be introduced to the record upon reopening. On the 16th it vould be the comission's duty, I suppose, to consider the materiality of that evidence after it has been examined by the parties and properly introduced into the record to deteraine at that time whether or not it's material enough evidence to have caused the Comission to ake a different decision -- to have made a different decision had that information been available in the first place.
cinimer sonatims sure. Sure. Very well.
and with that, Representative Arnall.
min. Emin: Excuse me, Madar Chairman, I'd like to object to this procedure if I could do so.

Either this is going to be an ex parte communication to the Comission, which we'll have ten days to respond to and which won't be a part of this evidentiary hearing, or this is going to be sworn testimony and we'll have a opportunity to cross examine if you're going to consider this in any way at the hearing that is held on the 16th. You're having a hybrid kind of thing. It's very confusing as far as the record is concerned in this case.
cminam somsoms Fair enough. Now with respect to your objection, are you objecting
because -- we eaid you have an opportunity to respond to this particular comanication, but are you objecting to the form or --
2. Encin: an opportunity to respond is entirely different than an opportunity to cross examine the witness. And if we are going to simply respond, and you are going to treat this as an ex parte comanication like the other things, then I don't think you should hear anything that is said by Representative Arnall at the hearing on the 16 th nor should it be part of the record.
cminton somsom: I see what you're saying. And perhaps that is confusing. You're suggesting that whatever ve do on the 16 th as a part of sworn testimony should not include Representative Arnall's coments.
m. Anin: That's correct. Onless ve have an opportunity to crose examine as ve vill have vith regard to the writers of the letters from NaNC and the FCC, and so forth.
cmanan somson: I don't think you're too far off from that staff is suggesting. I understood then to --

Ma. Inym: I just want this clear. I don't want any kind of confusing sort of issues hanging out
there.
ciniman somectis I agree. staff.
2R. paracikimis I think what ve're saying
is that if Representative Armall's coments this
morning -- if the parties are given an opportunity to address those coments, now or on April the 16 th , then the Comission can consider all of that testimony and give it the meight it deserves.
comaceronn sieatimes Well, that's where I's getting confused. It's either sworn testimony, in which case it's subject to cross examination, or it's comments that are not meant to be part of the evidence.
careman sommow: And I think ve want to keep it as coments not meant to be part of the evidence, more of an ex parte type comments, giving the parties an opportunity to respond as they would in any other ex parte situation.

日. Pthmenxis Mell, ex parte comunications typically are not sworn testimony in the first place.
cmimon somsow: .Right.
comarasomis Exiselvoe: Exactly.
chrex someces that's what ve're trying to accomplish here.
m. pabseryis but they can be properly considered by the comission after they are adnitted into the public record and responded to.
conreezon: ancest That's the point you're trying to make, correct, Mr. Erwin?

日. T. Thrits That's correct.
conasesonn ancis Well, I think that's what the Chaizman ruled, so maybe should move on. And I think you made a very good point, Mr. Erwin. Is that how you understood it, Madan Chairman?
cingun somacm: Yes. Representative Arnall.
m. Mras: Comissioner, could I get one clarification?
conaresiomis ancias You thought things were tough over at the legislature.
chimel somson: Who's speaking?
m. manes With regards to --
conusescula chnes Who are you? (Laughter)
v. Manet I'm John Marks vith the law 2ixa of Katz, Kutter, Baigler here in Tallahassee, and I filed the motion for leave to allow the City of Jacksonville to participate. And that's my question as to whether or not or when that issue would be addressed, that is, Jacksonville's ability to

1
participate in this proceeding? That issue of then it will be allowed -- when you vill address that issue as to whether or not Jacksonville vill be alloved to participate in the proceeding.
chimen somsoms Currently, Mr. Marks, that's stated as Issues 2 and 3, and it vas my understanding that we vere going to rule on those on the 16th.
m. maxes okay.
cmarian somsom: But, I mean, it's within our discretion if the Comissioners would like to do something otherwise.
comaresionta miseliwe: weil, I's confused about vhat it is that the City of Jacksonville filed from reading this rec, and that's why I probably need a little clarification.

Did the City of Jacksonville file any kind of a motion or petition to intervene or anything like that? or did you simply pile something that said you vant to participate in ALITEL's motion for reconsideration?
sis. mases I think it's more in the form of the latter, comaissioner riesling. The city of Jacksonville did not pile a petition to intervene five days before the technical hearing on Decenber 9 th,

1996, but it believes that it has the opportunity to participate in these proceedings at this stage of the gase, notwithstanding that lack of intervention at that point in time, in Decenber.
congreazon, Exebzimes And on what basis do you assert a right to participate in these proceedings after the fact?
m. mate: Under section 120.52-12(c) of the Adinisistrative Procedures Act.
contresiont chans what does that say?
2, שurss It says, "Any person, any other person" -- it defines at that point in time parties under the Administrative Procedures Act, and it says, any person allowed by the Agency to intervene or participate in the proceedings as a party." And it's defining that as party. It goes on to say, man agency may by rule authorize liaited forms of participation in agency proceedings for persons who are not eligible to becone parties." And we believe under the circurstances that allows Jacksonville to participate in these proceedings.

How, the method of or how you allow us to participate may be liaited in some fashion or form, but that's yet to be seen. But we believe that that particular section of the APA does allow you, gives
you the diecretion, and gives you the authority to allow Jacksonville to participate.
comseazonic EIEsLImes Do ve have a rule on that?
y. merss Mo, you do not. But ve believe that the APA under the circunstances would govern that gethod of participation.

I could go on, Comissioners, but I realize at this point --
ciniman somsoms No, I believe --
y. Mares I could go on vith what I wanted to provide you in teras of Jacksonville's position on this matter, but $I$ don't vant to violate any of your procedures at this point in time. But I was responding to Conissioner Kiesling's question. And there is more that I would like to add in terns of Jacksonville's ability to participate or desire to participate in this proceeding, which I think we could convince you that ve are -- ve should be allowed to participate in this proceeding.
charmer sorsons And my only concern, Mr. Narks, is that ve vere suggesting that these issues -- that we take up the Issues 1 through 4 at the technical hearing.
m. meres beg your pardon? at the next
hearing?
cingen somseats On the 16th.
m. リñes On the 16th.
comasezons Ghine Well, let me ask a
question. Ien't there an opportunity for the Prehearing officer in this case -- let me just make sure it's not me can rule on that motion?

It seans to that, quite trankly,
Representative Arnall, the communications from elected officers has always been a probles in these proceedings. And my concern vas that we're a legislative body and we're setting public policy, and in my mind I made a distinction, when an elected official, state officer or, I guess I drew the line at a state-elected officer, vas trying to commuicate with us and give us their coments. I don't think we can treat it as evidence unless you choose to be a witness and undergo cross examination. But I think it's too late at this point. And it is somewhat unique. I vould treat it like an ex parte comunication, but I don't think it's ex parte because here ve all are, the parties are here. I think Representative Arnall can make his coments, you can respond today and you can also have ten days to respond in writing, and I think you should have the
opportunity to bring it up on the 26th. I think as far as opening the record for further evidentiary proceeding it should be liaited to the letters and that evidence brought forth in those letters. So, Madam Chair, I concur with the procedure you're about to embark on.
comarezont Dasons Let me say that I agree vith those coments. The reason I raised the question vas I got the impression that perhaps -- I say perhaps -- ve vere object to reopen the record beyond what I understood the motion to be and that would be the limited purpose for the letters as described by staff. And $I$ vant to clarify that.

CMIROM JCnsom: With those clarifications, well try it one more time. Representative Arnall.
 Chair, and Comissioners. It's honor to be here. And I really now know enough to be quiet.

To the extent that basically you have done procedurally what I would have asked you to do, I speak from the standpoint of being a representative from southeast Duval County and northeast st. Johns County which, obviously, is affected by your decisions. It's important to us that you reopen this
case. And as I understand, you procedurally have done that to consider this new information.

That literally is why I'mere. There's nothing else I vould like to add. Even though as more or less a \&ield trip fron the standpoint of being the Chairman of vtilities and Communications, I'm vastly interested in how you vork this process and see that it is eninently fair.

I appreciate also your long history of inclusiveness and that is demonstrated by your actions today, so thank you.

And with your leave, I vill go back and vote in the session and some people vould say it vould probably be better served to be over here not voting, but I do appreciate the opportunity to speak in front of you today. Thank you.

Cminny someow: Thank you very much. And with that do ve have any other issues? Are ve going to defer the other --
4. Prisenyy: Yes.
contresiont Exeelimes Well, I'm confused. May I just ask one thing? What I think you just said was that the parties could respond to senator Arnall's (sic) coments today, or in ten days in writing. So I guess it seens to ve need to ind out if they want
to respond to it today.
Cnyman somsons Would any one of the parties like to have an opportunity to respond to the coments made by the representative?

2, mikils ALLTEL and Northeast have no coments on that.

蛝. EnEM: 8t. Joseph and quincy have no coments at this point. I may respond in ten days, but $I^{\prime}$ a not certain there's really anything to respond to. Thank you.
m. meres And, Comissioner, I understand that Jacksonville's petition to participate will be addressed on the 16th or there vas some indication that it may be addressed by the prehearing officer, and I just vant to sake it clear on that, get clarified on that.
concuan scmeoms Yes, Mr. Marks, it will be addressed at a later date, and ve'll make sure that either through $m y$ office or the prehearing officer's office that you're informed as to when and how it's going to be ruled upon.
M. Manes Thank you.
chimun sommsom: Thank you.
state?
m. parsemryz: The only thing I vould add
at this point is that ve surely vill have available packets of the letters in question if each of the Comaissioners would like to receive them at this time.
cmram somsons if you could deliver those to our offices, that would be helpful. Thank you.

And the parties already have all of the letters?
m. perbearirl: I'a not certain, but I'll look into that.

CBIREM somsom: Hake sure they also. very well.
concrissiont ernaz: I think the Chairman was asking you if you have the letters already.
uR. manial: yes, we have the letters and we're working with the other parties to make sure that we have a productive hearing.

Contrian somsom: Very good. Thank you very much.
(Theraupon, the hearing concluded at 10:10 a.m.)

STATE OF FLORIDA)

## CERTIFICATE OF REPORTER

 COUNTY OF LEON )I, JOY KAhy, CsR, RPR, Chief, Bureau of Reporting, Official Comaiseion Roporter,

DO HEREAY CERTIFY that Iten No. 6, of the April 1, 1997 Agenda Conference, Docket No. 961153-TL was heard by the Florida Public service Comission at the time and place berein stated; it is further

CERTIFIED that I stenographically reported the said proceedings; that the same has been transeribed under my direct supervision; and that this transcript, consisting of 29 pages, constitutes a true transcription of my notes of said proceedings.

DATED this 1st dayentigyil, 1996.

(904) 413-6732

