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March 18, 2007

Ann Cole, Commission Clerk  
Office of the Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

**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**

**Docket No. 070304-EI: Petition for rate increase by Florida  
Public Utilities Company**

Dear Ms. Cole:

Enclosed is BellSouth Telecommunications, Inc. d/b/a AT&T Florida's Post-Hearing Brief, which we ask that you file in the captioned dockets.

Copies have been served to the parties shown on the attached Certificate of Service.

Sincerely,

Tracy W. Hatch

cc: All Parties of Record  
Jerry D. Hendrix  
Gregory R. Follensbee  
E. Earl Edenfield, Jr.  
Lisa S. Foshee

**CERTIFICATE OF SERVICE**  
**Docket Nos. 070300-EI and 070304-EI**

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via Electronic Mail and First Class U. S. Mail this 18th day of March, 2008 to the following:

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and Martha Brown  
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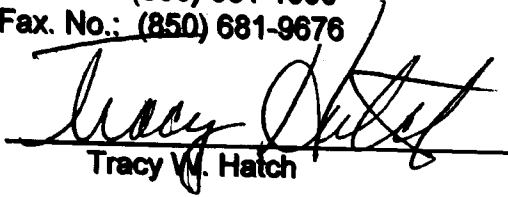
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Tracy W. Hatch

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Review of 2007 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Florida Public Utilities Company.

DOCKET NO. 070300-EI

In re: Petition for rate increase by Florida Public Utilities Company.

DOCKET NO. 070304-EI

ORDER NO. PSC-08-0118-PHO-EI

Filed: March 18, 2008

**POST-HEARING STATEMENT OF AT&T FLORIDA**

BellSouth Telecommunications, Inc. d/b/a AT&T Florida (“AT&T Florida”), in compliance with the Order Consolidating Dockets for Hearing (Order No. PSC-07-0647-PCO-EI, issued on August 9, 2007) and the Order Establishing Procedure (Order No. PSC-07-0811-PCO-EI issued on October 8, 2007), hereby submits its Post-hearing Statement in Dockets Nos. 070300-EI and 070304-EI.

**I. Statement of Basic Position**

As a result of cooperative, good faith negotiations, AT&T Florida, Florida Public Utilities Company, Embarq Florida, Inc., and the Florida Cable Telecommunications Association have reached an agreement wherein these parties have committed that they will support the jointly developed terms and conditions contained in the Process to Engage Third-Party Attachers (See Exhibit 50). The agreement was approved by the Commission on February 27, 2008, at the beginning of the hearing in the consolidated dockets. [Tr. 11]

In addition, based on AT&T Florida’s review of the project details that Florida Public Utilities Company (“FPUC”) has included in its Storm Hardening Plan filed with the

Commission on July 3, 2007 (the "Plan"), and with the agreement between the above-referenced parties to support the Process to Engage Third-Party Attachers, AT&T Florida has no objections to FPUC's Plan at this time. AT&T Florida reserves the right to raise objections regarding FPUC's Plan as AT&T Florida receives more detailed information about specific projects, as contemplated by Rule 25-6.0342(7) and the Process to Engage Third-Party Attachers.

## **II. AT&T Florida's Positions on the Issues**

### **STORM HARDENING AND RULE 25-6.0342, F.A.C.**

ISSUES 1 – 9 and 12:            These issues have been stipulated.

ISSUE 10:    Does the Company's Plan provide a reasonable estimate of the costs and benefits to the utility of making the electric infrastructure improvements, including the effect on reducing storm restoration costs and customer outages? [Rule 25-6.0342(4)(d)]

ATT Position:            \* No position. \*

ISSUE 11:    Does the Company's Plan provide an estimate of the costs and benefits, obtained pursuant to subsection (6) below, to third-party attachers affected by the electric infrastructure improvements, including the effect on reducing storm restoration costs and customer outages realized by the third-party attachers? [Rule 25-6.0342(4)(e)]

ATT Position:            \* No position.\*

ISSUE 13:    Based on the resolution of the preceding issues, should the Commission find that the Company's Plan meets the desired objectives of enhancing reliability and reducing restoration costs and outage times in a prudent, practical, and cost-effective manner to the affected parties? [Rule 25-6.0342(1) and (2)]

ATT Position: \* No position.\*

### **10 POINT STORM PREPAREDNESS INITIATIVES**

ISSUE 14: This issue has been stipulated.

ISSUE 15: Has FPUC complied with the Commission's 10 point initiatives?

ATT Position: \* No position.\*

### **COSTS FOR STORM HARDENING AND 10 POINT INITIATIVES**

ISSUES 16 – 18: These issues have been stipulated.

ISSUE 19: Should FPUC's request to increase Account 593, Maintenance of Overhead Lines, by \$141,367 per year for distribution of pole inspections from an outside contractor be approved?

ATT Position: \*Yes. Moreover, nothing determined in the rate case should be deemed to supersede or conflict with AT&T Florida's rights obtained through contract or stipulation, or under Federal law.\*

FPUC has proposed an increase in account 593, Maintenance of Overhead Lines by \$141,367 to recover the increased expenses caused by pole inspection activities required by its storm hardening plan. It is clear from the record in this proceeding that these increased expenses are attributable to activities required by FPUC's storm hardening plan. It is even clearer that the expenses of FPUC's pole inspection program should not be disallowed as advocated by the Office of Public Counsel.

OPC suggests that the expenses attributable to FPUC's pole inspection program involving the use of LoadCalc™ be disallowed because they are "directly caused by joint use attachments" and "do not relate to the cost or providing electric service to the electric customers." [Tr.520] Importantly, OPC does not dispute the use of LoadCalc™ as part of FPUC's pole inspection program. However, OPC's conclusions that the costs attributable to LoadCalc™ are directly "caused" by joint pole users or "unrelated to electric service" are simply incorrect. As clearly stated by witness Cutshaw on cross-examination, the use of LoadCalc is one step in the storm hardening required pole inspection program and is used regardless of whether there are any joint users' facilities on a pole. [Tr. 711] Because LoadCalc™ is used even where there are no other facilities on a pole than FPUC's, the cost of LoadCalc™ can not be caused by or attributable to third party attachers. Moreover, as also stated by witness Cutshaw, the revenues that are derived from FPUC's joint pole use agreements cover all the associated expenses of those agreements. [Tr. 711]. Since the revenues from the agreements cover the associated costs of the agreements, there can be no suggestion that FPUC's rate-payers are somehow subsidizing the costs of pole attachments attributable to joint users. Finally, since the revenues derived by FPUC from the joint use agreements have been taken into consideration as revenues in the rate case, it would be wrong and patently unfair to also disallow the expenses attributable to joint use. Accordingly, the Commission should allow FPUC to recover its proposed increase in expenses to Account 593 related to FPUC's pole inspection program.

ISSUE 20: Should FPUC's request to increase Account 593, Maintenance of Overhead Lines, and Account 588, Distribution Maps, by a combined total of \$99,375 for an additional employee and related travel expenses to handle joint use audits and pole inspections be approved?

ATT Position: \* Nothing determined in the rate case should be deemed to supersede or conflict with AT&T Florida's rights obtained through contract or stipulation, or under Federal law.\*

ISSUE 21: This issue has been stipulated.

ISSUE 22: Should FPUC's request for contractor expense of \$18,540 in Account 566, for an additional expense for transmission inspections, be approved?

ATT Position: \* No position.\*

ISSUE 23: Should the expense for an additional employee to handle joint-use audits be approved?

ATT Position: \* Nothing determined in the rate case should be deemed to supersede or conflict with AT&T Florida's rights obtained through contract or stipulation, or under Federal law.\*

ISSUES 25, 29-31, 35-37, 40, 41, 44, 47, 49-52, 56, 60, 64, 72, 73, 79-85, 87, 92-95, 100, 103, 106, 108, 110, 121-124, 127, 128, 130-133, 135 and 136: These issues have been stipulated.

ISSUES 24, 32, 39, 45, 66, 96, 102, 105 and 112: These issues have been deleted from further consideration in the proceeding.

ISSUES 26-28, 33, 38, 42, 43, 46, 48, 53-55, 57-63, 65, 67-71, 74-78, 88-91, 93, 97-99, 101, 104, 107, 109, 111, 113-120, 125, 126, 129 and 134:

AT&T Position: \* No Position \*



### III. CONCLUSION

In light of the Commission's approval of the Process to Engage Third-Party Attachers, AT&T Florida does not object to FPUC's storm hardening plan at this time. AT&T Florida reserves the right to raise objections regarding an FPUC's Plan as AT&T Florida receives more detailed information about specific projects, as contemplated by Rule 25-06342(7) and the Process to Engage Third-Party Attachers.

As shown from the record in this proceeding, the costs attributable to FPUC's storm hardening required pole inspection program should not be disallowed. They are directly related to the provision of electric service and not attributable to third party attachers.

The relations between third party attachers and FPUC regarding pole attachments are governed by negotiated agreements between FPUC and the individual attacher. Nothing determined in the rate case should be deemed to supersede or conflict with AT&T Florida's rights obtained through contract or stipulation, or under Federal law.

Respectfully submitted this 18<sup>th</sup> day of March, 2008.

~~Bellsouth Telecommunications, Inc.~~ d/b/a AT&T Florida



E. Earl Edenfield, Jr.

Jennifer S. Kay

Tracy W. Hatch

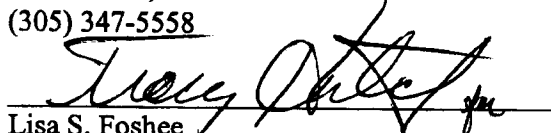
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