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| COL All<br>SCH VIIIB-2<br>REDUCTIONS  |               |          |          |
|---|---------------|----------|----------|
| POS   | AMOUNT        | PRIORITY | CODES    |
| -----   |               |          |          |
| <u>PUBLIC SERVICE COMMISSION</u>  |               |          | 61000000 |
| SCHEDULE VIIIB REDUCTIONS -<br>OPERATING  |               |          | 33B0000  |
| ELIMINATE FILING AND REVIEW OF<br>INTEREXCHANGE TELECOMMUNICATIONS<br>COMPANY TARIFFS |               | 1        | 33B0400  |
| TRUST FUNDS.....  | 1.00- 62,825- |          | 2000     |
|   | =====         |          |          |

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SCH VIIIB-2 NARR 10-11 NOTES:

Interexchange Telecommunications Companies (IXCs) file tariffs with the Public Service Commission stating all the charges to consumers. The tariffs are maintained for use in responding to consumer complaints. Elimination of this requirement would handicap the PSC in responding to consumer complaints. Consumers may be charged more than expected and not receive the services desired. Complaints may not be addressed in a meaningful way. In FY 2008-09 there were 554 IXC billing complaints filed with the PSC.

The standard recurring expense package and the standard HR services package were used in the reduction calculation

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|-------------------|----------------|---|---------|
| ELIMINATE REPORTS |                | 2 | 33B0550 |
| TRUST FUNDS.....  | 3.00- 183,292- |   | 2000    |
|                   | =====          |   |         |

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SCH VIIIB-2 NARR 10-11 NOTES:

Eliminate the Production of the Report to the Legislature on Status of Competition in the Telecommunications Market, the Annual Lifeline Report, and the Annual Telecommunications Relay Access System Act (TASA) Report.

Currently the Commission undertakes the production of these reports and provides them to the Legislature annually. Each of these reports offers information that is not otherwise available and no other agency has the authority to ask for most of the information. Most of the germane information for the Status of Competition report is not public information and is filed on a confidential basis to be aggregated. The information for the Lifeline and TASA reports is not reported on a Florida basis in such detail anywhere else.

The standard recurring expense package and the standard HR services package were used in the reduction calculation.

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                                COL All
                                SCH VIIIB-2
                                REDUCTIONS
                                POS      AMOUNT      PRIORITY      CODES
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PUBLIC SERVICE COMMISSION                                61000000
SCHEDULE VIIIB REDUCTIONS -
OPERATING                                              33B0000
REDUCE HARD COPY DISTRIBUTION
OF CONSUMER EDUCATIONAL BROCHURES
AND MATERIALS                                          33B0530
                                                    3
TRUST FUNDS.....                                2.00-      116,182-      2000
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SCH VIIIB-2 NARR 10-11 NOTES:

Through the PSC's Library Outreach campaign, Customer Meetings, Service Hearings, and the PSC Web site order form, consumers receive educational information on utility-related matters, energy and water conservation, and the Link-Up and Lifeline discount telephone programs. In just one month, Florida's public libraries requested more than 6,000 PSC brochures due to demand from their patrons. PSC brochures also assist consumers at our Customer Meetings and Service Hearings to understand the ratemaking process and the charges on their utility bills. Reducing brochure distribution would also be detrimental to Florida's senior and underprivileged populations, who often don't have computer access and rely on printed materials.

The standard recurring expense package and the standard HR services package were used in the reduction calculation.

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REDUCE CONSUMER OUTREACH                                4                                33B0540
TRUST FUNDS.....                                2.00-      116,182-      2000
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SCH VIIIB-2 NARR 10-11 NOTES:

PSC outreach efforts target populations that can most benefit from our services. Three annual outreach projects National Consumer Protection Week, National Lifeline Awareness Week, and Library Outreach reach a broad spectrum of Florida's residents, from children to seniors in both urban and rural areas. Lifeline events and PSC customer meetings reach those who specifically need assistance, through energy and water conservation or discounted telephone programs. Reducing consumer outreach in these challenging economic times would be detrimental to Florida's utility customers who are seeking ways to better manage their utility bills.

The standard recurring expense package and the standard HR services package were used in the reduction calculation.

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 COL All  
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 REDUCTIONS  
 POS AMOUNT PRIORITY CODES  
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PUBLIC SERVICE COMMISSION 61000000  
 SCHEDULE VIIIB REDUCTIONS -  
 OPERATING 33B0000  
 ELIMINATE MONITORING AND EVALUATION  
 OF WHOLESALE TELECOMMUNICATIONS  
 SERVICES 33B0410  
 5  
 2.00- 143,402- 2000  
 TRUST FUNDS.....  
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SCH VIIIB-2 NARR 10-11 NOTES:

The Public Service Commission developed wholesale performance measurement plans for the ongoing evaluation of operations support systems provided by incumbent local exchange carriers to competitive carriers. The performance measurement plans provide a standard against which competitors and the PSC can measure performance to detect and correct any degradation of service provided to the competing carriers. Elimination of this activity may result in a less competitive local market resulting in fewer competitors to offer choice to consumers.

The standard recurring expense package and the standard HR services package were used in the reduction calculation.

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ELIMINATE PAY TELEPHONE  
 EVALUATIONS, 911 TEST CALLS,  
 TESTING OF PREPAID CALLING CARDS  
 AND POLE INSPECTIONS 33B0460  
 6  
 2.00- 128,608- 2000  
 TRUST FUNDS.....  
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SCH VIIIB-2 NARR 10-11 NOTES:

The Public Service Commission conducts numerous tests and inspections related to the telecommunications industry. Pay telephones are inspected to ensure they have dial tone, meet ADA standards, are well maintained and offer directory assistance; 911 calls are tested for connection, answer time, and address verification. Prepaid calling cards are tested for accuracy of rates, times, surcharges and expiration. Poles are inspected for visible damage, downed lines, vegetation or unsafe condition. Elimination of these activities may well result in decline of the quality and condition of pay telephone service, failure of 911 calls to be completed in a timely manner and consumers being overcharged for calls using prepaid cards. In addition, many problems with poles may go undetected resulting in service failures or downed poles during inclement weather.

The standard recurring expense package and the standard HR services package were used in the reduction calculation.

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| COL All<br>SCH VIIIB-2<br>REDUCTIONS  |                            |          |          |
| POS   | AMOUNT                     | PRIORITY | CODES    |
| -----   |                            |          |          |
| <u>PUBLIC SERVICE COMMISSION</u>  |                            |          | 61000000 |
| SCHEDULE VIIIB REDUCTIONS -<br>OPERATING  |                            |          | 33B0000  |
| REDUCE EFFORTS TO ENCOURAGE ENERGY<br>ALTERNATIVES SUCH AS RENEWABLE<br>ENERGY AND CONSERVATION |                            | 7        | 33B0450  |
| TRUST FUNDS.....  | 3.00-<br>206,506-<br>===== |          | 2000     |

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SCH VIIIB-2 NARR 10-11 NOTES:

Statutes have recently been enacted promoting fuel diversity, renewable energy, nuclear power, and energy efficiency and conservation. The Public Service Commission is currently proactively researching and examining various conservation programs, incentives for diversity, and alternatives to fossil fuels. Reduced staffing will severely limit the research and examination of state-of-the-art technologies that could provide Florida with alternative fuel resources. This will result in lower than otherwise levels of renewable energy and energy efficiency/conservation. Also, reduced review of nuclear cost recovery filings will lead to higher customer charges. Nuclear cost recovery filings are expected to begin this year and continue for the next ten years.

The standard recurring expense package and the standard HR services package were used in the reduction calculation.

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|-------------------------------|----------------------------|---|---------|
| ELIMINATE SERVICE EVALUATIONS |                            | 8 | 33B0560 |
| TRUST FUNDS.....              | 2.00-<br>143,770-<br>===== |   | 2000    |

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SCH VIIIB-2 NARR 10-11 NOTES:

The PSC conducts tests and inspection of the telecommunications industry for safety, answer times, dial tone, correct rates, and other items related to quality of basic telephone service. Without the evaluations, the quality of service to consumers in Florida will decline. The type of evaluation varies by company type. Some of the items incumbent local exchange companies (ILECs) are evaluated on include grounding, repair time for outages, repair for service affecting problems, appropriate refunds for service issues, correct directory assistance information, and the amount of time a consumer must wait to talk to a live person upon request when calling the company. Under a Memorandum of Understanding, the PSC does 911 test calls to measure answer time as established by the Department of Management Services. The 911 testing would be eliminated leaving a void for ensuring consumers have readily accessible 911 service. If all service evaluations are eliminated consumers may experience electrical safety problems caused by improper grounds; failure to receive billing credits for commission approved service guarantee programs and improper charges for services that were not provided.

The standard recurring expense package and the standard HR services package were used in the reduction calculation.

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| COL All<br>SCH VIIIIB-2<br>REDUCTIONS  |                   |          |       |          |
| POS  | AMOUNT            | PRIORITY | CODES |          |
| -----  |                   |          |       |          |
| <u>PUBLIC SERVICE COMMISSION</u>   |                   |          |       | 61000000 |
| SCHEDULE VIIIIB REDUCTIONS -<br>OPERATING  |                   |          |       | 33B0000  |
| DECLINE TO PROCESS ARBITRATION<br>REQUESTS THAT COULD BE ARBITRATED<br>BY THE FEDERAL COMMUNICATIONS<br>COMMISSION |                   | 9        |       | 33B0290  |
| TRUST FUNDS.....   | 4.00-<br>289,579- |          |       | 2000     |
|  | =====             |          |       |          |
| *****  |                   |          |       |          |

SCH VIIIIB-2 NARR 10-11 NOTES:

An interconnection agreement is a contract between a local exchange company such as AT&T, Embarq, or Verizon and a competitive carrier which governs the wholesale relationship between the two carriers. If negotiations fail, carriers can request arbitration from the Public Service Commission, which hears the dispute and, based on evidence, determines the resolution of the dispute. If carriers cannot come to the Commission for arbitration, they would petition the Federal Communications Commission (FCC) for a decision on the disputed issues. The arbitration petition would be filed pursuant to federal law, and the FCC would not be required to consider state law. The FCC, rather than the PSC, would resolve any subsequent allegation of contract breach, which would strip the state of its ability to address anticompetitive behavior by one or more parties under the contract. The PSC would lose control of making a decision that could impact Florida's competitive telecommunications market.

The standard recurring expense package and the standard HR services package were used in the reduction calculation.

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|---|-------------------|----|--|---------|
| ELIMINATE THE PUBLIC SERVICE<br>COMMISSION'S CONSUMER CALL CENTER |                   | 10 |  | 33B0440 |
| TRUST FUNDS.....  | 6.00-<br>424,707- |    |  | 2000    |
|   | =====             |    |  |         |
| *****   |                   |    |  |         |

SCH VIIIIB-2 NARR 10-11 NOTES:

The Public Service Commission's consumer call center is a central contact location where consumers can call toll free regarding utility services. Complaints identified during these calls are routed through trained staff to the appropriate location for resolution; in FY 2008-09 more than 75,000 customer complaints and information requests were closed. The centralization of phone complaints is critical for early detection of general industry trends (such as slamming and cramming) as well as a particular utility's performance. Elimination of the call center will dramatically reduce the number of complaints closed and will increase the number of state agencies and offices receiving complaints. Without centralization and handling of these complaints, consumers will call other state agencies and state offices such as the Attorney General and possibly legislators, resulting in longer resolution times. The lack of centralized handling by the PSC will result in increased consumer dissatisfaction with complaint resolution, and a decrease in the ability of consumers to obtain information. In addition, early detection of trends in industry and utility performance that may require enforcement action would not be possible.

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 COL All  
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 POS AMOUNT PRIORITY CODES  
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PUBLIC SERVICE COMMISSION 61000000  
 SCHEDULE VIIIB REDUCTIONS -  
 OPERATING 33B0000  
 ELIMINATE THE PUBLIC SERVICE  
 COMMISSION'S CONSUMER CALL CENTER 10 33B0440

The standard recurring expense package and the standard HR services package were used in the reduction calculation.  
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REDUCE THE PUBLIC SERVICE  
 COMMISSION'S FIELD OFFICE STAFF 11 33B0430  
 TRUST FUNDS..... 2.00-  
 113,076- 2000  
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SCH VIIIB-2 NARR 10-11 NOTES:

The Public Service Commission currently has three field offices located in Tampa, Miami, and Tallahassee. Field office staff consists of auditors and safety engineers who must travel to the regulated utilities' facilities throughout the state to perform their respective job functions. Reducing the number of field office staff would require the remaining field office and Tallahassee headquarters staff to absorb more duties and responsibilities and increase their travel to accomplish the necessary company audits and safety evaluations. These changes may have a negative impact on quality and efficiencies of the audit and safety programs.

The standard recurring expense package and the standard HR services package were used in the reduction calculation.  
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REDUCE NUMBER OF CUSTOMER MEETINGS  
 AND SERVICE HEARINGS AND HOLD IN  
 TALLAHASSEE VERSUS SERVICE  
 TERRITORY 12 33B0420  
 TRUST FUNDS..... 3.00-  
 188,935- 2000  
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SCH VIIIB-2 NARR 10-11 NOTES:

The Public Service Commission conducts customer meetings and service hearings for every petition for a rate increase filed by a utility. These meetings and hearings are held in the service territory of the utility so consumers can better understand the utility's request and the regulatory process, and can meet with commissioners to express their concerns. Reducing the number of meetings and holding them in Tallahassee instead of in the service territory will result in consumers being less informed on pending utility petitions. Also, commissioners will have less direct input from and involvement with the utility's customers.

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 REDUCTIONS  
 POS AMOUNT PRIORITY CODES  
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| <u>PUBLIC SERVICE COMMISSION</u>   |  |    | 61000000 |
| SCHEDULE VIIIIB REDUCTIONS -       |  |    |          |
| OPERATING                          |  |    | 33B0000  |
| REDUCE NUMBER OF CUSTOMER MEETINGS |  |    |          |
| AND SERVICE HEARINGS AND HOLD IN   |  |    |          |
| TALLAHASSEE VERSUS SERVICE         |  |    |          |
| TERRITORY                          |  | 12 | 33B0420  |

The standard recurring expense package and the standard HR services package were used in the reduction calculation.

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|                                  |          |    |         |
|----------------------------------|----------|----|---------|
| REDUCE FREQUENCY OF SURVEILLANCE |          |    |         |
| REPORT REVIEWS                   |          | 13 | 33B0470 |
|                                  | 2.00-    |    |         |
| TRUST FUNDS.....                 | 115,086- |    | 2000    |
|                                  | =====    |    |         |

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SCH VIIIIB-2 NARR 10-11 NOTES:

The Commission has the statutory responsibility to ensure utility rates are fair and reasonable. One way this obligation is met is by evaluating the financial status of utilities on a routine basis and ensuring utilities are not earning an excessive profit (above their authorized rate of return range). This "Earnings Surveillance Program" involves the review of certain financial information that is required to be filed with the Commission. Reducing the number of reviews may result in overearnings not being detected for some period of time. If overearnings are undetected, utilities will earn excess revenue and customers will pay excessive rates until the overearnings are detected and steps are taken to refund money and reduce rates.

The standard recurring expense package and the standard HR services package were used in the reduction calculation.

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|                                     |          |    |         |
|-------------------------------------|----------|----|---------|
| REDUCE THE NUMBER OF MANAGERIAL     |          |    |         |
| AND/OR ADMINISTRATIVE SUPPORT STAFF |          | 14 | 33B0190 |
|                                     | 10.00-   |    |         |
| TRUST FUNDS.....                    | 535,229- |    | 2000    |
|                                     | =====    |    |         |

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SCH VIIIIB-2 NARR 10-11 NOTES:

In the event of a major reduction of the Public Service Commission's budget resulting in the loss of professional staff positions, there would be a corresponding reduction in the positions that provide support in such areas as information technology services, court reporting, Commission Clerk services, reference library, and administrative services such as HR, accounting, facilities management, print shop, mailroom, etc.

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 COL All  
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 POS AMOUNT PRIORITY CODES  
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|-------------------------------------|--|----|----------|
| <u>PUBLIC SERVICE COMMISSION</u>    |  |    | 61000000 |
| SCHEDULE VIIIB REDUCTIONS -         |  |    |          |
| OPERATING                           |  |    | 33B0000  |
| REDUCE THE NUMBER OF MANAGERIAL     |  |    |          |
| AND/OR ADMINISTRATIVE SUPPORT STAFF |  | 14 | 33B0190  |

The standard recurring expense package and the standard HR services package were used in the reduction calculation.

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|                                  |        |            |          |
|----------------------------------|--------|------------|----------|
| TOTAL: PUBLIC SERVICE COMMISSION |        |            | 61000000 |
| BY FUND TYPE                     |        |            |          |
|                                  | 44.00- |            |          |
| TRUST FUNDS.....                 |        | 2,767,379- | 2000     |
|                                  | =====  |            |          |