FLORIDA PUBLIC SERVICE COMMISSION

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M E M O R A N D U M

JUNE 18, 1992

TO : DIRECTOR, DIVISION OF RECORDS AND REPORTING

FROM : DIVISION OF COMMUNICATIONS [BROWN, YATES, SHELFER, SIMMONS, BUTLER AND BUCHAN] BPB
DIVISION OF LEGAL SERVICES [KURLIN] fak

CJS for TH

RE : DOCKET NO. 910980-TL - APPLICATION FOR A RATE INCREASE BY UNITED TELEPHONE COMPANY OF FLORIDA. (T-91-692 FILED 11/15/91)

DOCKET NO. 910027-TL - PETITION BY BONITA SPRINGS RESIDENTS FOR EXTENDED AREA SERVICE BETWEEN BONITA SPRINGS AND THE FORT MYERS AND NAPLES EXCHANGES.

DOCKET NO. 910529-TL - REQUEST BY PASCO COUNTY BOARD OF COUNTY COMMISSIONERS FOR EXTENDED AREA SERVICE BETWEEN ALL PASCO COUNTY EXCHANGES.

AGENDA: JUNE 30, 1992- REGULAR AGENDA- PARTIES MAY NOT PARTICIPATE - ONLY ISSUES 32B AND 32D PROPOSED AGENCY ACTION

CRITICAL DATES: JULY 15, 1992 - 8 MONTH EFFECTIVE DATE

SPECIAL INSTRUCTIONS:

06453-92

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Custom Calling Features/Signal Ring/Express Touch

ISSUE 33: Should the Company's proposal to change rates for Custom Calling Features as outlined in the table below be approved?

	RESIDENCE		BUSINESS	
	PRESENT	PROPOSED	PRESENT	PROPOSED
First Feature Access	$1.40	$0.00	$1.65	$0.00
Call Forwarding	$1.65	$2.50	$2.75	$4.50
Call Forward Don't answer	$1.65	$1.00	$2.75	$1.00
Call Forward - Busy	$1.65	$1.00	$2.75	$1.00
3-Way Calling	$1.65	$2.00	$2.75	$3.00
Call Waiting	$1.65	$3.50	$2.75	$4.00

	RESIDENCE		BUSINESS	
	PRESENT	PROPOSED	PRESENT	PROPOSED
Cancel Call Waiting	$0.75	$1.00	$1.25	$1.25
Speed Calling	$1.65	$2.00	$2.75	$3.00
Call Forward Remote Activation	$1.75	$1.75	$2.35	$2.50
Personal Alert Line	$1.65	$1.65	$2.75	$2.75
SignalRing 1	$2.10	$3.00	$3.40	$6.00
SignalRing 2	$4.05	$5.00	$6.65	$8.00

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Catch All

ISSUE 35: Should United be required to itemize its bills on a monthly basis? [SHELFER] 63

ISSUE 36: The following services have not been addressed in other issues and no changes have been proposed:

Tariffed Items (Listed by tariff section)

- A2, General Regulations.
- A4, Service Charges (other than secondary service connection charge).
- A5, Charges Applicable Under Special Conditions.
- A6, Directory Listings.
- A7, Coin Telephone Service.
- A8, Telephone Answering Service.
- A9, Foreign Exchange Service.
- A13, Miscellaneous Service Arrangements (other than Custom Calling, SignalRing, and ExpressTouch).
- A14, Auxiliary Equipment.
- A15, Connection with Certain Facilities and/or Equipment of Others.
- A19, Wide Area Telecommunications Service.
- A20, Private Line Service and Channels.
- A24, Emergency Reporting Services.
- A29, Data Transport Service.
- A108-A124, Obsolete Tariff Offerings.
- E2, General Regulations.
- E7, Special Access Services.
- E8, Billing and Collection Services.
- E16, Access Service for Local Exchange Companies' completion of IntraLATA-Intercompany Long Distance MTS and WATS calls (other than the MABC BHMOC flow through).

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LIST OF ACRONYMS USED IN RECOMMENDATION

AT&T	AT&T Communications of the Southern States
B&C	Billing and Collection
BHMOC	Busy hour minute of capacity
BR	Brief
CCF	Custom Calling Features
CPE	Customer premises equipment
DID	Direct In Dialing
EAS	Extended Area Service
EXH	Exhibit
FCTA	Florida Cable Television Association
FG#	Feature groups: A, B, C, D
FPSC	Florida Public Service Commission
FPTA	Florida Pay Telephone Association
FTA	Florida Telephone Association
GTE	GTE Florida Incorporated
IXC	Interexchange carrier
LDTS	Long Distance Telecommunications Service
LEC	Local exchange company
LIDB	Line Information Data Base

LIST OF ACRONYMS USED IN RECOMMENDATION

MABC	Modified Access Based Compensation
MFRs	Minimum filing requirements
MOU	Minutes of use
OEAS	Optional Extended Area Services
OPC	Office of Public Counsel
PATS	Pay Telephone Service
SBT	Southern Bell Telephone
TAS	Telephone Answering Service
TMA	Toll Monopoly Area
TOLL-PAC	Toll Personalized Area Calling
TR	Transcript
USTA	United States Telephone Association
UTF United Company	United Telephone Company of Florida

CASE BACKGROUND

On November 15, 1991, United Telephone Company of Florida (United or the Company) filed its MFRs in this rate case. United's proposal would have produced an increase in revenues of approximately $54,308,000 annually.

In United's last rate case which was completed in January of 1991 the Commission granted it an overall revenue increase of $4,540,000. Most of United's rates were changed in the last rate case. A few of the larger changes were a reduction in BHMOC from $6.39 to $4.33, a reduction in MTS rates including the rating of the first mileage band at $.25 per message, an increase in Directory Assistance charges, and an increase in local rates of $15.98 million. United stated, in its November petition, that after the last rate case decision, subsequent actions taken by the Florida Commission reduced its revenues by $2,883,245 annually through reductions in operator services rates, parent debt adjustment and zone charges.

Intervenors in this case include the Office of Public Counsel (OPC), the Florida Pay Telephone Association (FPTA), Inc., AT&T Communications of the Southern States, Inc. (AT&T), the Florida Cable Television Association (FCTA), and the Florida Ad Hoc Telecommunications User's Committee (Ad Hoc).

Customer hearings were held in this matter on March 11, 1992, in Fort Myers, and on March 16, 1992 in Altamonte Springs. An informal prehearing conference was held on March 20, 1992. The final prehearing conference was held on April 6, 1992. The main rate case hearing was held April 15, 16 and 20, 1992, in Tallahassee.

This is the second part of the recommendation for this case. The 37 issues have been separated into six categories as listed below:

	CATEGORY	CORRESPONDING ISSUE
1.	Quality of Service	1
2.	Rate Base	2-9
3.	Cost of Capital	10-18
4.	Net Operating Income	19-28
5.	Revenue Requirement	29-30
	Rate Design and Tariff Changes	31-37

Those issues in Categories 1 through 5 were decided at a Special Agenda on June 12, 1992. The Commission determined that United's earnings should be reset and revenues should be reduced by $1.065 million. This recommendation addresses United's request to make rate and tariff changes that were identified in Category 6 and proposes alternative rate design reductions.

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EXECUTIVE SUMMARY

As a result of the June 12, 1992 Special Agenda held in the United Rate Case, the Commission's decision resulted in a reduction in United Telephone Company's revenue requirement of $1.065 million. The following recommendation proposes what rate changes staff believes should occur within the context of this rate case.

Staff recommends that the Clermont and Bonita Springs EAS additives be removed reducing United's revenues by $ 1,123,181, and the Trilacoochee EAS request should be implemented without an additive. Staff also recommends that intraLATA routes with over 4MMMs be converted to the $.25 per message plan. This will be accomplished via seven digit dialing wherever possible. These EAS changes will absorb the reduction in United's revenue requirement.

United has proposed to reprice several of its Custom Calling Features and staff recommends approval of the changes. These changes will result in an increase in United's annual revenues of $1,677,606. Staff also recommends removing the secondary service order charge as proposed by the Company in order to stimulate use of Custom Calling Features. This will result in an annual revenue loss of $224,640.

In addition, United has proposed to make several rate changes to its business services for which staff has recommended approval. They include a decrease to its ABC rates resulting in an annual revenue decrease of $238,675 and changes to its PBX DID rate resulting in an annual decrease of $131,220.

Finally staff recommends approving United's proposal to decrease its access time-of-day discounts, which will result in an increase in revenues of $ 2.466 million, and staff proposes to offset that access increase with a comparable BHMOC access rate decrease.

Attachments identified as Executive Summary A thru G, provide revenue impact information. Attachments A thru D, outline by tariff section the Company's and staff's proposals for revenue distribution. Attachments E thru G are provide in case the Commission were to approve staff alternatives in Issue's 32b and 32d. Staff would propose that if the alternatives are approved the remaining revenues be applied to further reduce BHMOC rates.

Access/Toll/Interconnection

ISSUE 31: UTF has proposed a reduction in switched access service rates however; the company has proposed no rate changes for message toll service. UTF has proposed the following switched access rate changes:

a) To reduce BHMOC rates from $3.95 to $1.98.

b) To reduce MABC BHMOC rates from $3.95 to $1.98.

c) To change time-of-day discount amounts which will increase access revenues by $2.632 million.

d) To reduce cellular mobile interconnection rates as a result of the proposed reduction of BHMOC charges.

Should UTF's proposed changes be approved? Should there be any other changes in switched access, toll or cellular mobile interconnection services?

RECOMMENDATION: The Company's proposal to reduce Busy Hour Minute of Capacity (BHMOC), Modified Access Based Compensation (MABC) BHMOC and mobile interconnection rates by $8.46 million should be denied. However, the Commission should approve United's proposal to decrease time-of-day discount amounts which will increase access revenues by $2.632 million. In conjunction with the increase in time-of-day discounts, the Commission should reduce BHMOC revenues in the same amount. United made no other proposals and staff believes that the rate changes made in Docket No. 891239-TL, (United's last earnings review) were sufficient, and no other changes in switched access, toll or mobile interconnection rates should be made. [BROWN]

POSITION OF PARTIES:

UNITED: a) As a result of recent Commission actions and tariff filings, and certain changes in revenues and expenses, United has changed its proposal to reduce switched access rates. United now proposes that the BHMOC rate and the MABC BHMOC rates be reduced from $3.95 to $2.406 rather than to $1.98. (Tr. 1426-1427, 1479 and 1480) The proposed reduction is significant even at its reduced level.

The proposed reduction in the BHMOC rate is a further step toward recognition of the changing competitive environment and [illegible] the Commission in Docket No. 890183-TL, finding AAVs [illegible] and in Docket No. 880812-TL, eliminating the intraEAEA facilities based competition restriction on January 1, 1991. The reduction will also mitigate uneconomic bypass potential and reduce interstate and intrastate toll rate disparity.

b) The MABC BHMOC rate should be the same level as the rate charged IXCs for BHMOC. If the rates are different, IXCs and LECs would pay different rates for essentially the same service.

c) United has requested a change to the switched access time of day discount to provide consistency in the discount between IXCs and United's IntraLATA message toll service. If significant differences in the discounts exist, competitive imbalances between IXC provided intraLATA traffic and LEC provided intraLATA traffic may result.

d) United is following the requirements of Order No. 20475 and requesting a reduction in the cellular interconnection usage rate to correspond to its requested reduction in the BHMOC rate. The reduction is in accord with Order No. 20475 and should be approved.

With the exception that the Company's proposed rate levels for the BHMOC and cellular interconnection should be adjusted to reflect any revenue requirement changes, the Company's proposals to change the rates for these services should be approved. No changes should be made to the rates for switched access, toll, or cellular interconnection services other than those resulting from any revenue requirement changes.

AT&T: a) AT&T supports United's proposal to reduce BHMOC rates from $3.95 to $1.98 in this proceeding. While AT&T continues to advocate the elimination of all charges associated with the BHMOC element, AT&T recognizes United's proposed reduction as an important step towards that end.

b) AT&T has no position on this issue.

c) While the proposed change in time of day discounts will result in an increase in originating access revenues, AT&T does not oppose the proposed change as long as such action is taken in conjunction with the BHMOC reduction proposed by United in this docket. The net effect of the proposed BHMOC reduction and the proposed changes in time of day discounts would be an overall reduction of approximately $7.9 million in annual switched access charges which is a positive step towards driving access rates towards cost.

d) AT&T has no position on this issue.

FCTA and FPTA: No position.

OPC: In United's last case, which ultimately resulted in a revenue reduction, the Commission raised local rates significantly while reducing access charges. The Commission should not again reduce access charges in this case.

STAFF ANALYSIS: The Busy Hour Minute of Capacity (BHMOC) is a fixed monthly rate per busy hour minute of switched access capacity ordered by IXCs. The BHMOC charge is calculated and assessed for each IXC connection to a LEC switch. The BHMOC rate is unique to Florida and there is no BHMOC charge for interstate access.

In United's last rate case and with subsequent rate changes United's BHMOC rate was reduced from $6.39 to $3.95. United has proposed to reduce its BHMOC rate in this case to $2.40 for an $8 million reduction. With the flow through effect of reducing the BHMOC, revenue would be reduced $8.46 million. (EXH 14, MFR SCH E-1a) Mobile interconnection rates use the current BHMOC rate to determine the appropriate rates for interconnection. In addition, MABC BHMOC rates should also be adjusted with any change in BHMOC rates since these are the access rates that United charges other local exchange companies.

United has also proposed a change to the switched access time-of-day discount to provide consistency in the discount between IXCs and United's IntraLATA message toll service. This proposal moves switched access time of day discounts to the same level as the Company's IntraLATA MTS time-of-day discounts. The proposed change would increase revenues by $2.353 million.

United proposed no other changes, thus, the total proposed revenue impacts of the rates proposed by United would be a $5.83 million reduction in revenues.

As noted in its last rate case, United believes that the proposed reduction will mitigate uneconomic bypass potential and reduce interstate and intrastate toll rate disparity (EHX 72, FPB 2, pp 102). As a result of the Company's proposal, all IXCs would receive reduced access costs. Furthermore, other LECs would benefit by having to compensate United a lesser amount for intercompany intraLATA calls.

The Commission has clearly indicated that it is encouraging the reduction and future elimination of the BHMOC charge. Southern Bell has removed the charge entirely and Centel's and United's charges were reduced substantially in their last rate cases. United's proposal is consistent with this Commission directive.

AT&T stated in its brief that it supports United's proposal to reduce BHMOC rates and revise the time-of-day discounts for switched access services. AT&T states that the decrease of rates associated with the BHMOC reduction more than offsets any increase due to discount revisions. AT&T supports these changes as long as they occur at the same time, but would not support a change in the discount rates without a BHMOC reduction.

OPC does not support any reduction in access charges and believes that the Commission should not reduce access charges in this docket. OPC stated in its brief that BHMOC rates should not be adjusted since they were reduced and local rates increased in United's last rate case.

Staff agrees with OPC that the Commission did increase local rates by $15.9 million in the last rate case and lowered BHMOC, and as a result staff does not believe that local rates should again be raised in this proceeding (see Issue 34a) in order to have a greater BHMOC reduction.

The Company's proposal to reduce BHMOC, MABC BHMOC and mobile interconnection rates should be denied. However, the Commission should approve United's proposal to change time-of-day discount amounts which will increase access revenues by $2.632 million. In conjunction with the increase in time-of-day discounts, the Commission should reduce BHMOC revenues in the same amount. This will result in a decrease in the BHMOC rate of $.45 to a rate of $3.50 premium and $2.275 non premium.

This recommendation would provide some reduction in BHMOC rates while moving United's time-of-day discounts for access services to the same schedule as United's own intraLATA MTS service. There is no compelling argument for or against the changing of United's time-of-day discount schedule, however, staff believes that it may reduce some confusion to only have one discount schedule.

United made no other proposals and staff believes that the rate changes made in Docket No. 891239-TL (United's last earnings review) were sufficient, and no other changes in switched access, toll or mobile interconnection rates should be made.

EAS

ISSUE 32: UTF proposed to increase Optional Extended Local Calling (OELC) plans by the same percentage amount as that proposed for local residential rates, is this appropriate?

RECOMMENDATION: Yes, if United is granted an increase for local residential rates, then Optional Extended Local Calling (OELC) Plans should be increased by the same percentage amount. If United's local residential rates are decreased, then OELC should be decreased by the same percentage amount. Revenue impact will be dependent on the local rate change approved in this case. [SHELFER]

POSITION OF PARTIES

UNITED: A procedure for developing rates for OELC plans was developed in Docket 850139-TL, and is described in FPSC Order No. 14771. The procedure is based on basic local service rates for a subscriber's home exchange and first and second tier exchanges.

The proposed increases in OELC rates in this case are based on the procedure contained in FPSC Order No. 14771 in that the proposed increases in OELC rates maintain the same relationship with the proposed basic local service rates as exists between current local rates and OELC rates.

The OELC plan rate increases proposed by United are in accord with the procedure established in Order No. 14471 and are appropriate.

AT&T, FCTA, and FPTA: No position.

OPC: Rates should be reduced.

STAFF ANALYSIS: In Docket No. 850139-TL, Order No. 14771, this Commission approved a procedure for developing rates for OELC plans. The procedure is based on basic local service rates for a subscriber's home exchange and first and second tier exchanges. If basic local service rates change, the price of OELC under this procedure should also change to maintain the same relationship between basic local service rates and OELC rates.

Staff agrees in concept with OPC's position that OELC rates should be reduced but only if local residential rates are also reduced by that same percentage.

United's witness Poag explains that the proposed increase in OELC rates is based on the procedure contained in Order No. 14771.

He further argues that the proposed increase in OELC rates maintains the same relationship with the proposed basic local service rates as exists between current local rates and OELC rates. (TR 1437)

Of the OELC routes listed in United's General Subscriber's tariff Section A3.I.3, only Ocala to Williston and Williston to Ocala will remain once Bonita Springs EAS is implemented to Fort Myers, Fort Myers Beach, and Naples on June 28, 1992.

Staff agrees with United's position based on the evidence presented in Docket No. 850139-Tl and Order No. 14771. No evidence has been presented in this docket to change the procedure that was developed and ordered in Order No. 14771.

Staff believes the relationship between basic local service rates and OELC are directly related, therefore any change in rates for basic local service, whether an increase or decrease, should be applied by that same percentage to OELC.

ISSUE 32a: Should the Clermont to Orlando EAS additive be reduced or removed?

RECOMMENDATION: Yes. The 25/25 additive of $2.36 should be removed. The $1.50 regrouping additive is incorporated in the basic rate for rate group 5 and will not change. The annual revenue impact of removing the 25/25 additive is $434,381. [SHELFER]

ALTERNATIVE RECOMMENDATION: No, the 25/25 additive has only been in place since December 1, 1991. It should remain in place at least two years from the time of implementation or until United's next earnings review, whichever comes later. [BUTLER]

POSITION OF PARTIES

UNITED: The Clermont EAS additive for R-1 service includes two components--a 25\25 plan additive of $2.36 and a regrouping component of $1.50--for a total additive of $3.86. (See Order No. 24144, p. 4).

The Order does not indicate that either component of the additive is temporary until the Company's next rate case, whereupon the additive would be removed.

United sees no justification for removal or reduction of the regrouping component.

United has stated that it would have no objection to freezing the 25/25 plan component of the additive as opposed to increasing it.

If the Commission does decide to remove or reduce the 25/25 plan component of the additive in this rate case, the annual revenue reduction of $434,381 for elimination of the additive (Ex. 72, p. 91) or some portion thereof if the additive is reduced, should be included in the financial analysis of the case.

AT&T, FCTA, and FPTA: No position.

OPC: Yes, the combined increase from the recent EAS additive and the proposal by United in this case to apply another full percentage increase is excessive. If the Commission raises local rates in this case, either no increase or a smaller percentage increase should apply to Clermont.

STAFF ANALYSIS: In Docket No. 891339-TL, Order No. 24144, EAS was granted between Clermont and the Lake Buena Vista, Orlando, Reedy Creek, Windermere, and Winter Garden exchanges. EAS was implemented on December 15, 1991, under the 25/25 plan with regrouping.

Staff agrees with OPC's position that the increase from the recent EAS additive combined with the proposal by United in this case to apply another increase would be excessive. However, staff is not recommending an increase in basic local exchange rates in this case, so perhaps this argument is mitigated somewhat.

Staff agrees with United that Order No. 24144 does not state that the additive was temporary until the Company's next rate case, where the additive would be removed. However, we would argue that the Order does not stop the Commission from removing the additive when it has a chance to, in a rate proceeding such as this. This Commission has removed EAS additives in several dockets not explicitly associated with the EAS implementation. Staff believes the removal of the 25/25 additive after a reasonable time frame is fair.

There appears to be agreement not to remove or reduce the regrouping component. In its Brief, United states that regrouping places the exchange in question in the rate group that corresponds to the local calling scope available to that exchange. Failing to include the regrouping component creates an exception to the rate group structure, and places the exchange in question in a rate group but does not charge the customers the appropriate rates for that rate group. Staff has not proposed nor do we support removal of the regrouping additive. As outlined by United, regrouping places exchanges in the rate group that is equivalent to its calling scope.

Staff agrees in concept with United's assertions in its Brief that the 25/25 additive component is designed to partially offset the expense and loss of toll revenue associated with implementing EAS. If the 25/25 plan component is reduced or removed in a rate case, there will be additional revenues needed elsewhere or fewer reductions elsewhere. The Company asserts that if this is the case, the effect will spread the cost of implementing EAS for a particular exchange to the general body of ratepayers. In its Brief, United stated it "...does not favor such a result; particularly since the rate case was filed such a short period after the additive went into effect. If a longer period was involved and several EAS additives were eliminated at once with the revenue effect being spread, the result would not so clearly benefit one exchange at the expense of the general body of ratepayers." Staff agrees that the average Clermont residential customer averaged $6.81 per month in toll charges to the exchanges included in the EAS offering and now, with EAS, comparing that average to the 17% reduction in MTS rates since the time of the traffic study in October of 1989, the average residence customer is still saving $1.79 per month. Staff believes the 25/25 additive was designed for local exchange companies to recover some of the lost toll revenues and increased costs associated with implementing EAS. However, it is also an entry fee for customers to make a statement that EAS is so important to them they are willing to pay extra for it. This does not need to continue on indefinitely. In general, where possible, after a reasonable period of time, staff will recommend removing EAS additives in rate cases. This gives customers with similar calling scopes similar rates.

Staff agrees that if the Commission does decide to remove or reduce the 25/25 component of the additive in this rate case, the annual revenue reduction of $434,381 for elimination of the additive or some portion thereof if the additive is reduced, should be considered in this case.

In conclusion, staff recommends that the 25/25 additive of $2.36 for Clermont should be eliminated. This will make Clermont's rates the same as other exchanges in rate group 5. Staff also recommends that the reduction in revenue $434,381 as a result of the elimination of the 25/25 additive should be considered in this case.

ALTERNATIVE STAFF ANALYSIS: Part of the rationale for the 25/25 additive is that the customers who benefit from the additional calling will pay at least some part of the added costs/lost revenues for a period of time. Although the Commission does not have a firm policy on this, that period of time has certainly been longer than six months. In Havana to Tallahassee it was 3 1/2 years. In Milton to Pensacola it was 4 1/2 years. In Century to Pensacola it has been nearly 2 years. In Yulee to Jacksonville it has been nearly 2 1/2 years. In Callahan to Jacksonville it has been 5 years. Other routes have had similar durations on the additives.

In all of the above dockets the customers had to do three things. They had to petition the Commission for extended area service; they had to affirmatively vote to approve paying an EAS additive, in addition to whatever regrouping charge might apply; and they had to pay the additional local rate for a period of time exceeding two years.

From a local exchange company's perspective, EAS has two basic areas which affect the company's bottom line: the lost revenues (with associated offsets) from having toll convert to local calling, and the added costs associated with the additional facilities associated with the additional calling. The Commission has for many years waived the portions of its rules regarding the recovery of costs, recognizing that recovery of all costs, while providing customers the needed additional calling at reasonable rates, is virtually impossible. However, the Commission has agreed that the beneficiaries of the EAS should cover some of the company's costs/lost revenues, at least for some period of time. In the case of the Clermont exchange, customers gained flat rate local calling to the Lake Buena Vista, Orlando, Reedy Creek, Windermere, and Winter Garden exchanges, an increase in local calling scope from 91,047 to 412,488 access lines, over a 300% increase. Rather than making a blanket policy that all EAS with other than the flat rate regrouping additive will be eliminated in rate cases, staff recommends that customers keep the additive at least two years, or until the next rate case. The two years is arbitrary, but at least represents a good faith effort by the customers to partially fund the additional costs relating to EAS. In the case of United, the Company will be filing modified minimum filing requirements in no later than four years. We do not believe this is an unreasonable time in which customers pay the additive. Therefore, staff recommends in the alternative, that the EAS additive for Clermont customers not be eliminated at this time.

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ISSUE 32b: Should existing Toll-Pac plans be converted to the $.25 plan?

RECOMMENDATION: (Proposed Agency Action on Williston to Gainesville due to inter-company route) The following routes should be converted to the $.25 calling plan: Cape Haze to Port Charlotte, Moore Haven to Clewiston, and Williston to Gainesville. These routes should be converted to the $.25 calling plan because of their high calling rates (greater than 4 MMMs). Toll-PAC should be deleted on these routes. The revenue loss of this conversion, excluding stimulation, is expected to be $688,830. However, the staff expects that stimulation will reduce the revenue loss. Using a conservative estimate of stimulation (31.8%), the revenue loss would be reduced to $545,323. Staff recommends that the Commission include this conservative estimate of stimulation for computing rates. Staff also recommends that United be ordered to keep track of this stimulation and also true-up the reverse calling volumes for six months after the plans are put in place. Then the additional revenues will be used to implement other interLATA EAS routes which show strong communities of interest. [Shelfer, Simmons]

POSITION OF PARTIES

UNITED: Toll-PAC is a optional calling plan which offers customers a 30% discount to direct-dial time of day rates after payment of a buy-in amount. Toll-PAC applies only to those customers who subscribe to the Plan.

The $.25 plan is a non-optional plan which bills $.25 for each call placed on a route where the plan is in place. The $.25 plan affects all subscribers who make calls on a route where the plan is in place.

No evidence in the record supports the wholesale conversion of the existing Toll-PAC plan to the $.25 plan. In fact, such a conversion could adversely affect some customers.

Customer benefits and preferences should be taken into account prior to a wholesale conversion of Toll-PAC routes to the $.25 plan.

AT&T, FCTA, FPTA, and OPC: No position.

STAFF ANALYSIS: Toll-Personalized Area Calling (Toll-PAC) is an optional, typically intraLATA calling plan which is available to residential and business customers; it is not available to semipublic, PATS or FX services. Toll-PAC is a route-specific plan which allows a subscriber to place toll calls to specific nearby communities with a discount of 30% applied to the applicable direct dial rate after payment of a minimum monthly amount. Toll-PAC applies only to those customers who subscribe to the Plan.

Toll-PAC used to be implemented in areas that exhibited a need for toll relief but did not qualify for traditional two-way flat rate EAS. The Commission used to put in Toll-PAC where either there was a strong enough community of interest for a survey, but the survey did not pass, or there was not a strong enough community of interest to warrant a survey, but there was some community of interest expressed. These are the types of situations today where generally the staff would recommend the $.25 plan. United currently has twenty (20) Toll-PAC routes, but four will be eliminated when the Bonita Springs/Ft. Myers/Naples EAS go in on June 28. The remaining 16 Toll-PAC routes, their calling rates, and their take rates, are listed below:

ROUTE	CALLING RATE (MMMs)	TAKE RATE (%)
Cape Haze/Port Charlotte	4.15	2.47
Clewiston/Moore Haven	< 2	0
Ft. Meade/Lakeland*	5.74	0
Groveland/Bushnell	< 2	0.74
Inverness/Brooksville*	< 2	0.23
Inverness/Dunellon*	< 2	0.17
Inverness/Yankeetown*	< 2	0.01
Kenansville/Orlando*	2.06	0.02
Leesburg/Wildwood	< 2	0
Moore Haven/Clewiston	6.56	0.11
Oklawaha/Leesburg	< 2	0.18
Oklawaha/Eustis	< 2	0.09
Oklawaha/Umatilla	< 2	0.12
Sebring/Lake Placid	2.28	0.20
Trilacoochee/Bushnell	< 2	0.63
Williston/Gainesville*	8.85	9.68

* Indicates LEC other than United.

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Source: EXH 72, FBP-6, p 2 and
EXH 72, FBP-2 (Supplemental), pages 222-33

According to United's General Subscriber Tariff, Section A3, pages 30-31 and 31.1, the minimum montnly rate for Toll-PAC ranges for residential customers from $3.25 - $5.30 depending on the route distance and for business customers from $5.85 - $9.40 depending on the route distance. This minimum applies whether the customer makes any long distance calls on that route during the month or not. If there are calls on the Toll-PAC route, then they are discounted at 30%. The chart below details the number of $.25 plan calls that could be made for the price of the monthly minimum for Toll-PAC routes.

RESIDENTIAL CUSTOMERS			
RATE STEP	**ROUTE DISTANCE**	**TOLL-PAC MINIMUM**	**UNDER $.25 PLAN**
2	11-22	$3.25	13 Calls
3	23-55	5.30	21.2
BUSINESS CUSTOMERS			
RATE STEP	**ROUTE DISTANCE**	**TOLL-PAC MINIMUM**	**UNDER $.25 PLAN**
2	11-22	$5.85	23.4 Calls
3	23-55	9.40	37.6

As outlined in the charts above, a residential customer in Rate Step 2 could make 13 calls for what he pays for just the minimum. If a customer subscribed to Toll-PAC and did not make any calls that month, it costs him/her $3.25. Staff believes it is this minimum that makes Toll-PAC unattractive to subscribers who desire toll relief but may not want to commit $3.25 every month to the possibility that they might want to make calls. The $.25 calling plan is designed to give relief to all who need it, not just the frequent callers.

United's Toll-PAC subscription rate on all 20 Toll-PAC routes is 0.25% of the access lines eligible. Of these 20 routes, only two routes exhibit any subscriber interest, and they are Cape Haze/Port Charlotte (residential only) at 2.47% and Williston/Gainesville (residential and business) 9.69%. (EXH 72, FBP-6, p 2)

The $.25 calling plan is a non-optional plan which bills $.25 for each call placed on a route where the plan is in place. This plan includes seven digit dialing, where possible, and is available to residential, business, semipublic and PATS services. The plan applies in both directions of the specified route. The $.25 calling plan affects all subscribers who make calls on these specific routes.

United argues in its Brief that no evidence was submitted in the record to support the wholesale conversion of the existing Toll-PAC plan to the $.25 calling plan. United's witness Poag contends that such a conversion could adversely affect some of the customers by increasing their costs for those customers who have a large number of calls or calls with short holding times, in off-peak periods. (TR 1487)

In its Brief United concludes that the customer's benefits and preferences should be taken into account prior to converting Toll-PAC to the $.25 calling plan. Specifically, it states "... conversions should be made on a route by route basis only after an examination of each route and the effect of the conversion on customers on that route. Such an examination was not called for nor made in this rate case."

Staff agrees that there is little evidence to support a wholesale conversion of the Toll-PAC Plan to the $.25 calling plan in the record. However, based on the traffic information provided in Exhibit 72 (FBP-2, Supplemental) there appear to be four routes which have very high calling rates (above 4 MMMs), which should be addressed in this case. These routes are Cape Haze to Port Charlotte (3.63 MMMs without Toll-PAC, 4.15 MMMs with Toll-PAC), Moore Haven to Clewiston (6.53 MMMs without Toll-PAC, 6.56 MMMs with Toll-PAC), and Williston to Gainesville (6.61 MMMs without Toll-PAC, 8.85 MMMs with Toll-PAC). Ft. Meade to Lakeland is an interLATA Toll-PAC route (5.74 MMMs), for which the staff does not have adequate data to calculate the revenue impact of replacing Toll-PAC with the $.25 plan. Staff discusses a scenario for handling this and six other high volume interLATA routes in Issue 32d.

Staff agrees that it is important to look at the effect on customers of converting Toll-PAC to the $.25 plan prior to making any decision. In the case of the four routes being discussed for conversion, the existing average revenue per message for toll, not including Toll-PAC, is listed below:

Cape Haze/Port Charlotte	$.55
Ft. Meade/Lakeland	not available (interLATA)
Moore Have/Clewiston	.64
Williston/Gainesville	.62

Even with a 30% reduction in toll rates available from Toll-PAC, the average revenue per message on the routes for which data are available would be higher than the $.25 per message recommended. For example, Cape Haze to Port Charlotte, with $.55 average revenue per message today, goes to $.385 per message with all toll converted to Toll-PAC. We recognize that for some customers who make short calls late at night, the conversion to the $.25 plan may not be directly beneficial to them on those calls. (Poag, TR 1487) However, we believe that with the high calling rates, and low take rates on Toll-PAC on those routes, the conversion to the $.25 plan will more adequately serve the general customers in those areas. Customers who currently make few or no calls on these Toll-PAC routes due to the usage sensitive toll rates could benefit from a $.25 calling plan where there is no time restriction on the call.

Using the 1992 end of year access line forecast (MFR F-2), average messages per line and average revenue per message (EXH 72, FBP-2 Supplemental, pages 23-26), staff calculated the revenue effect of converting these three routes to the $.25 calling plan. Because staff only had one-way traffic volumes, we assumed, based on the information filed on Bonita Springs, that the return calling volume was 84% of the calls over. This generates an annual revenue loss of $688,830 without stimulation. Including a conservative stimulation of 31.8%, the revenue loss would be reduced to $545,323 (See Attachment Issue 32b A).

Staff recommends that the Cape Haze to Port Charlotte, Moore Haven to Clewiston, and Williston to Gainesville routes be converted from Toll-PAC to the $.25 calling plan, and that Toll-PAC be retained on the remaining routes. In addition staff recommends that United be ordered to keep track of this stimulation for six months after the plans are put in place, and also true-up the reverse calling volumes. To the extent that the revenue loss is less than projected, staff would recommend implementing other EAS routes which show strong communities of interest.

DOCKET NUMBER 910980-TL
JUNE 18, 1992

ISSUE 32c: Should EAS to Bonita Springs be implemented in the context of this rate case? If so, at what rate?

RECOMMENDATION: No. EAS to Bonita Springs was ordered in Docket No. 910027-TL, Order No. PSC-92-0322-FOF-TL and will be implemented on June 28, 1992. The regrouping additive of $2.24 should remain; however, the 25/25 additive of $2.20 should be removed. In addition, the revenue impact of $688,800 should be included in the test year. [SHELFER]

ALTERNATIVE RECOMMENDATION: EAS to Bonita Springs has already been ordered, but not yet implemented, with regrouping plus a 25/25 additive. Both the regrouping and the 25/25 additive should stay in place for two years after implementation or until United's next earnings review, whichever comes later. [BUTLER]

POSITION OF PARTIES

UNITED: Bonita Springs EAS was ordered implemented by the Commission at the April 7, 1992 Agenda Conference. So implementation of EAS to Bonita Springs has already been ordered by the Commission. The revenue impact should be included in the determination of the test year revenues.

AT&T, FCTA, and FPTA: No position.

OPC: EAS should be approved if a majority of those voting vote to approve EAS.

STAFF ANALYSIS: Flat-rate, two-way, nonoptional EAS for toll free calling on the Bonita Springs-Fort Myers, Bonita Springs-Fort Myers Beach and Bonita Springs-Naples routes with a $4.45 additive ($2.25 for regrouping plus $2.20 for the 25/25 additive) was approved by the Commission at the April 7, 1992, agenda. Order No. PSC-92-0322-FOF-TL, in Docket No. 910027-TL ordered implementation of this EAS within twelve (12) months of the date of this order, which was May 11, 1992. United has scheduled implementation for June 28, 1992.

The Bonita Springs customers were surveyed for EAS from Bonita Springs to Naples, Fort Myers and Fort Myers Beach with an additive of $4.45 for residents. Under Rule 25-4.063(5) the survey failed. However, the Bonita Springs customers convincingly expressed their desire for EAS. Residents of Bonita Springs have tried three times since 1978 to get flat rate EAS to Naples and Fort Myers. There were 7,500 signatures gathered on the initial petitions which were filed to open that docket. In addition, 4,459 subscribers presently self-impose a minimum additive of $6.60 per month for flat rate calling to either Fort Myers or Naples, while another 4,700 non-OELC subscribers voted to pay the minimum additive.

The rates for residents of Bonita Springs will increased from $7.20 to $11.65 when EAS is implemented on June 28, 1992. This increase was partly based on Bonita Springs being moved from rate group 2 into rate group 5 due to the expansion of the calling scope. Their calling scope increased from 41,171 access lines to 221,385, resulting in a residential rate increase of $2.25. In addition, the additive of $2.20 was applied. The additive was based on the 25/25 plan, which is derived by first calculating the number of additional access lines which would be included in a subscriber's calling scope. This number of access lines is applied to a company's rate group schedule and the additive is found by taking 25% of the rate for that rate group. Regrouping combined with the 25/25 additive was $4.45 for residential customers.

United stated in its Brief that EAS has been ordered implemented by the Commission and does not need to be ordered in this rate case. The Company did not address the rate issue in its brief, but did suggest that the revenue impact be included in the determination of the test year revenues. Witness Poag stated that the impact on the Company for implementing two-way, flat-rate nonoptional EAS from Bonita Springs to Naples, Fort Myers and Fort Myers Beach would be a revenue reduction of $675,000 with regrouping and the 25/25 additive included in the Bonita Springs customers' rates; and without regrouping or the 25/25 additive, the impact would be $1,472,000. (TR 1428) Therefore, the worth of the 25/25 additive per the Company is $797,000.

In his deposition, witness Poag offered his position regarding pricing local service. The witness indicated that there needs to be some additional charge associated with expanded local calling. He explained his rationale was based on customer perception that they should not have to pay any more than regrouping to have toll free calling to an extended area. He contends that as long as EAS is approved only on a regrouping basis, the Commission continues to lead customers to believe that it is free and it does not cost any more. Witness Poag argues that instead of removing the additive from existing routes that we go back to all of the other routes and apply an EAS additive, therefore eliminating the perception of the free lunch. Witness Poag also asserts that EAS has a value, and the customers have demonstrated the willingness to pay for that value; and a price should be associated with it. (EXH 72, FBP-4, p 63)

Staff agrees that EAS to Bonita Springs need not be ordered in this rate case, since the Commission ordered two-way, flat-rate nonoptional EAS from Bonita Springs to Naples, Fort Myers, and Fort Myers Beach in Order No. PSC-92-0322-FOF-TL. Staff also agrees that EAS on these routes should be implemented as soon as possible and agrees with the expedited June 28, 1992, effective date. Staff also agrees that the revenue impact for EAS to Bonita Springs should be included in the determination of the test year revenues.

While staff agrees with United's philosophy that there is a cost associated with EAS, we disagree with its suggestion of including both the additive of regrouping and the 25/25 plan. (EXH 72, FBP-4, p 63) Staff contends that the value of EAS (what the customer is willing to pay) is also an indication of the need for the service. In the case of Bonita Springs, the survey vote was extremely close in favor of EAS even with a proposed rate increase to their local rates of $4.45. This additive is comparatively high due to the jump from rate group 2 to rate group 5. We believe Bonita Springs residents have made an adequate indication that they are serious about wanting EAS. That having been done, we see no reason for the 25/25 additive.

While we agree with witness Poag's suggestion that customers be treated similar for EAS purposes, we disagree with his idea that the way to accomplish this is by adding an EAS additive to the existing EAS. Exchange boundaries and the sizes of exchanges have little to do with customers' community of interest or political boundaries, but are based on historical decisions and growth patterns. Customers have a very difficult time understanding why they are paying more than people in similar situations to them for local calling.

Staff disagrees with United's revenue impact of $797,000 if the 25/25 additive is removed. Based on the access line forecast for Bonita Springs contained in MFR Schedule F-2, and the rate group 2 class of service distribution in MFR Schedule E-1-a, staff has calculated that the annual revenue impact should be $688,800.

It is staff's belief that the Commission should remove the 25/25 additive of $2.20 for Bonita Springs. Bonita Springs has exhibited an earnest desire for EAS and should be granted EAS with a reasonable cost associated with the service. Staff contends that an increase of 63% in local rates (includes regrouping and the 25/25 additive) is not reasonable. The elimination of the 25/25 additive of $2.20 will result in a revenue loss of $688,800 to United.

ALTERNATIVE STAFF ANALYSIS: The arguments that were embodied in staff's alternative recommendation to Issue 32a (Clermont), are even stronger here. The Bonita Springs EAS routes have not even been implemented yet, and will not be until June 28. This means that customers have not yet paid one penny of the additional costs required to implement EAS from Bonita Springs to Naples, Ft. Myers and Ft. Myers Beach. What is proposed in the primary staff recommendation is to take away an additive that has not yet been paid. If this becomes the Commission's policy, we force a rash of EAS requests the year before MMFR reviews, as communities attempt to put in EAS with a premium for a very short time, to have it removed in the rate case.

ISSUE 32d: Are there any routes in UTF's territory that are currently facing EAS pressures and should the Commission take any action at this time to address these pressures?

RECOMMENDATION: (Proposed Agency Action on Trilacoochee to Brooksville route - due to inter-company route) Yes. The Everglades to Naples, Immokalee to Naples, and Immokalee to Ft. Myers routes are all intraLATA routes with greater than a 4MMM calling rate. The $.25 plan should be ordered on these routes, and the Commission should include the conservative estimate of stimulation contained in the staff analysis for computing rates. On the Trilacoochee to Brooksville route, which has been recently surveyed for the 25/25 plan, flat rate two-way nonoptional EAS with regrouping only should be implemented. In addition, there are seven interLATA routes with a greater than 4MMM calling rate (Ft. Meade to Lakeland, Boca Grande to Englewood, Clewiston to Belle Glade, Groveland to Orlando, Astor to Pierson, Dade City to Tampa, and San Antonio to Tampa). The Commission should address these interLATA routes, according to an MMM priority basis, after the effects are known of stimulation, and the true-up from reverse calling resulting from the conversion of the three Toll-PAC routes and the three routes listed above. [SHELFER, SIMMONS]

ALTERNATIVE RECOMMENDATION: Yes, same recommendation as the primary staff recommendation, except that the vote on the Trilacoochee route does not pass under the current EAS rules. Instead of flat rate EAS with regrouping, the $.25 plan should be ordered, including the conservative estimate of stimulation contained in the staff analysis. The stimulation on this route should be measured after six months, and the money used to implement additional high volume interLATA toll routes listed in the recommendation. OEAS Option I should remain and OEAS Option II should be deleted on this route.
[BUTLER]

POSITION OF PARTIES

UNITED: Some routes in United's service territory are facing EAS pressures. The Commission should not take action at this time to address these or other routes. Any request for EAS should be processed and evaluated on the basis of the Commission's EAS rules. No EAS changes should be made in United's territory at this time other than those changes proceeding under the established EAS rules and procedures separate and apart from this rate case.

AT&T, FCTA, and FPTA: No position.

OPC: The Commission should address and expand the calling scope for the Cape Haze and Bonita Shores areas.

STAFF ANALYSIS: Although United believes the Commission should not take action on EAS problem areas in this rate case, staff disagrees. A situation where the Company's overall earnings and rates are being reviewed is a good time to look at EAS needs. Indeed, we are a little surprised that the Company would object to taking care of these high volume routes at a time when the revenue losses can be taken into account. Granted, there is the chance that the routes in question might never be the subject of EAS requests. However, particularly on the higher volume routes, we believe it is only a matter of time before these routes must be addressed. A general rate review is a good opportunity to address these routes.

According to United's witness Poag, some of the areas that are designated as needing toll relief, such as Highlands and Pasco counties, are currently being reviewed by this Commission. Other routes, such as Bonita Springs (25/25 Plan), and Osceola exchange to Orlando ($.25 calling plan) have been ordered but are pending implementation. (TR 1427-1428) Staff agrees, and itself has not recommended changes in Highland County routes (Docket No. 920150-TL) because the request has been only recently received and is in such a preliminary stage. However, other areas should be addressed here.

The Office of Public Counsel, on the basis of the testimony of public witnesses, believes that the calling scope of the Cape Haze and Bonita Shores areas should be addressed in this case. Because Bonita Shores is part of the Bonita Springs exchange, the additional calling scope has been addressed in Docket No. 910027-TL, and the issue of the 25/25 additive is the subject of another issue in this case (Issue 32c). The Cape Haze exchange is one of those exchanges with Toll-PAC, which is addressed in Issue 32b.

In interrogatories staff requested traffic information on United's routes of less than 50 miles with a 2 or more MMM count. Some of those routes currently have OEAS, and unless a current case is before the Commission (such as Trilacoochee to Brooksville), staff is not proposing to change them, believing that OEAS is a viable plan. Toll-PAC plans with high (above 4 MMMs) calling rates are dealt with in Issue 32b. In the instant issue the staff addresses additional intraLATA routes with a greater than 4 MMM calling rate. However, because the data was not available to determine the average revenue per message on the interLATA routes, they are not recommended for change at this time. Instead, once the results of stimulation and the true up for the reverse calling estimate are known and we are able to obtain average revenue data, staff recommends that these interLATA routes be addressed according to which has the highest MMMs. These would be in order:

San Antonio/Tampa*	9.21 MMMs
Dade City/Tampa*	6.35
Ft. Meade/Lakeland*	5.74
Clewiston/Belle Glade	4.59
Boca Grande/Englewood	4.29
Astor/Pierson	4.22
Groveland/Orlando	4.18

Source: EXH 72, FBP-2, pages 52-85

In addition to the three Toll-PAC routes listed in Issue 32b, there are three other intraLATA routes (that have no optional calling plan) which have calling rates higher than 4MMMs. These are Everglades to Naples (7.45 MMMs) Immokalee to Naples (5.00 MMMs), and Immokalee to Ft. Myers (4.92 MMMs). In order to address these EAS hot spots while there is an opportunity to, staff recommends that the $.25 plan be put in place on these three routes. The revenue impact, without stimulation, for the conversion of these three routes is $617,739. We believe that there will be stimulation and that it will be greater than the 31.8% that United experienced when it decreased the rate on its 0-10 mileage band routes to $.25 per message. This is because in that case the average revenue per message only went from $.261 to $.25. In these cases, the average revenue varies from $.77 to $.85 per message. A decrease to $.25 per message should cause significant stimulation. However, as a conservative estimate, we will use the same stimulation number here for revenue purposes. With stimulation the revenue impact is $539,084 (See Attachment Issue 32d A). Because the staff only had one-way calling information, we assumed that the return calling volume (e.g., Naples to Everglades) was 84% of the one-way calling volume, based on the information received on the Bonita Springs EAS routes. Obviously this requires a truing-up. Staff also recognizes that the stimulation on these routes is probably understated. Therefore, we recommend that United monitor the results of stimulation and truing up the return calling volume for six months after implementation of these routes, and the extra dollars designated for use in implementing the $.25 plan on the interLATA routes listed above.

Finally, the staff just recently compiled the results from the Trilacoochee to Brooksville route (Docket No. 910529-TL) Trilacoochee, which was ordered to be surveyed on the 25/25 plan. On this route, 747 customers voted in favor of the plan, and 715 customers voted against (47 were either late or invalid). 1,494 customers needed to vote in favor of the plan in order to pass under the existing EAS rules. While the vote is not sufficient for passage under the current rates, staff believes this is a sufficient showing to indicate support for this EAS. On that basis, and to be consistent with the staff's recommendations on Clermont EAS and Bonita Springs EAS, staff recommends that the Commission implement flat rate two-way nonoptional EAS with regrouping only on the Trilacoochee to Brooksville route. In doing so, the OEAS plans on this route should be deleted. The annual revenue loss of implementing this with regrouping only is $47,568.

ALTERNATIVE STAFF ANALYSIS: Staff takes exception with the recommendation to implement <u>any</u> flat rate two-way nonoptional EAS on the Trilacoochee to Brooksville route, either with or without the 25/25 additive. Trilacoochee customers did not vote to incur the additional rate for the additional calling, according to the current EAS rules. The vote did not even come close to passing. We recognize that the Trilacoochee customers have a legitimate need for toll relief, but do not believe that this need, as expressed by the customers' vote, warrants putting in flat rate EAS at this time. Instead, the Commission should order the implementation of the $.25 plan. We might note that the Trilacoochee to Brooksville route currently has OEAS options 1 (flat rate outward-residence) and 2 (50% toll discount with minimum). If the $.25 plan is implemented, Option 2 should be eliminated, but Option 1 should be retained. The revenue impact of converting this route to the $.25 calling plan is $34,632, without stimulation. Of course, we expect stimulation will occur, and a conservative estimate of 31.8% would yield a revenue loss of $27,420. United should monitor this for a period of six months, and the extra revenues should be used to implement additional interLATA EAS, as listed above.

ISSUE 32e: What changes, if any, should be made regarding EAS in the UTF territory?

RECOMMENDATION: No further change in EAS is warranted at this time. [Shelfer]

POSITION OF PARTIES

UNITED: No changes are appropriate at this time. The Commission has an EAS rule docket pending. The Commission has also recently held a workshop to address county-wide EAS. Until the results of the rule hearing, workshop and subsequent proceedings are evaluated, the Commission should defer any EAS activities unless they are proceeding under the Commission's EAS rules.

AT&T, FCTA, FPTA, and OPC: No position.

STAFF ANALYSIS: No changes in EAS is warranted at this time. The current EAS rules are being examined in Docket No. 880073-TL and county-wide EAS in under review in Docket No. 911065-TL.

Staff reflects the same position as outlined in United's brief "...Action on EAS should not be taken until the rule docket is concluded and any results of the workshops and any subsequent proceedings are evaluated."

No action should be taken at this time regarding EAS. Any EAS changes should take place in Docket Nos. 880073-TL (EAS rules) and 911065-TL (County-wide EAS).

Custom Calling Features/Signal Ring/Express Touch

ISSUE 33: Should the Company's proposal to change rates for Custom Calling Features as outlined in the table below be approved?

	RESIDENCE		BUSINESS	
	PRESENT	PROPOSED	PRESENT	PROPOSED
First Feature Access	$1.40	$0.00	$1.65	$0.00
Call Forwarding	$1.65	$2.50	$2.75	$4.50
Call Forward Don't answer	$1.65	$1.00	$2.75	$1.00
Call Forward - Busy	$1.65	$1.00	$2.75	$1.00
3-Way Calling	$1.65	$2.00	$2.75	$3.00
Call Waiting	$1.65	$3.50	$2.75	$4.00
Cancel Call Waiting	$0.75	$1.00	$1.25	$1.25
Speed Calling	$1.65	$2.00	$2.75	$3.00
Call Forward Remote Activation	$1.75	$1.75	$2.35	$2.50
Personal Alert Line	$1.65	$1.65	$2.75	$2.75
SignalRing 1	$2.10	$3.00	$3.40	$6.00
SignalRing 2	$4.05	$5.00	$6.65	$8.00

RECOMMENDATION: Yes. The proposed rate changes are appropriate. The revenue impact of this change is $1,677,606. UTF has also filed separate tariff filings on the SignalRing (T-92-220 filed 3-24-92) and Special Identity Number Arrangement (T-92-222 filed 3-24-92) and staff recommends:

1) Approval of tariff filing T-92-220 (See Attachment Issue 33 A) to permit United to expand SignalRing into fifteen of its 1210 central offices serving areas where it was previously not available. The effective date should coincide with the approval date for rate changes in the rate case issues.

2) Denial of tariff filing T-92-222 to allow United to increase the recurring rate of $0.75 to $2.00 for the Special Identity Number Arrangement (SINA) "grandfathered" subscribers. Instead, we recommend that the SINA tariffed rate increase be limited to the equivalent 43 % increase that is being requested on the SignalRing 1 service. The new rate for SINA will be $1.10 for a total annual revenue increase of $7,132. The effective date should coincide with the approval date for rate changes in the rate case. [YATES]

POSITION OF THE PARTIES:

UNITED: The proposed rates for custom calling services are based on the relative demand for the features and are reflective of the relative market value of the individual services and should be approved.

Proposed prices for the various Custom Calling Features are also based on analysis of the rates of other local exchange companies for these features. In conjunction with the proposed rate changes for each individual feature, the charge for First Feature Access will be eliminated. This will align rates with the perceived value for the individual features.

AT&T, FCTA, FPTA & OPC: No position.

STAFF ANALYSIS: UTF has proposed rate changes for Custom Calling Features (CCF) in both residential and business services. Residential Call Waiting and Business Call Forwarding are proposed to increase the most as these features have the highest demand.(TR 1434)

UTF's CCF consists of optional central office features which are intended to provide subscribers with a greater efficiency of use of their telephone service. The features are limited to those areas served by electronically controlled central offices equipped for custom calling features, and are offered on an as-available basis.

The Company's CCF provides for a series of call forwarding services, two types of call waiting, 3-way calling and a personal alert line service. Specific features are:

- A Call-Forwarding feature that provides for transferring incoming calls to another local number by dialing a code and the desired number.

- A Call Forwarding-Don't Answer feature that automatically transfers an incoming call to another local number when the called telephone number remains unanswered for a predetermined number of rings.

- A Call Forward-Busy feature that transfers incoming calls to a predetermined local number when the customer's line is busy.
- A Call Forward-Remote Activation feature that allows customers who subscribe to Call-Forward to access, activate, or deactivate Call-Forward from a remote location through use of a touch-tone phone.
- A Call-Waiting feature that provides a tone signal to alert a customer's busy line that another call is waiting.
- A Cancel Call-Waiting feature that permits the subscriber to suspend call waiting signals during a call.
- A Three-Way Calling feature that allows for an existing call to be held while a third party is dialed into the conversation.
- A Personal Alert Line feature that provides a signaling arrangement whereby another predetermined telephone number will be automatically called when the subscriber's telephone goes off hook and no digits are dialed within a set number of seconds.

UTF takes the position that its proposed rates reflect those "... features with the highest demand, for example, Residential Call Waiting and Business Call Forwarding, are proposed to increase the most since current demand reflects higher customer value within the residential-business markets for these features versus other CCF." (Poag TR 1434) Residential Call Waiting is proposed to increase from $1.65 to $3.50, and Business Call Forwarding will increase from $2.75 to $4.50. By contrast, UTF advocates lowering the rates for Call Forward-Don't Answer and Call Forward-Busy where demand is low. (TR 1468) Residential and business rates for both of these features are proposed to decrease from $1.65 to $1.00 and $2.75 to $1.00, respectively.

UTF's proposed rate changes in CCF are projected to result in annual net revenue increases of $1,533,905 for residential services and $1,762 in the business market. (EXH 14, page 86) The combined net revenue increase for all CCF rate changes is $1,535,667.

Staff believes that it is appropriate to require increases in these services before placing any increases on local rates. CCF are discretionary services and provide significant contribution as previously indicated in the recap of the period of 1989-1991. The most significant proposed increase is Residential Call Waiting from $1.65 to $3.50 with an annual revenue gain of $4,462,799. (EXH 14, page 86)

UTF also proposes to eliminate the First Feature Access rates of $1.40 (residential) and $1.65 (business). The Company believes that it is the only company that requires this charge, and the first feature rate plus the specific CCF rate may be a detriment in selling the service. (EXH 72, FBP-5, page 43) Elimination of the First Feature Access results in annual revenue decreases of $3,651,950 (residence) and $764,240 (business) for a total of $4,416,190. (EXH 14, page 86) However, the Company expects to recover these revenues in the higher rates proposed for the features, most notably Call Forwarding and Call Waiting. (EXH 72, FBP-2, pages 543, 545)

UTF has also requested rate increases in its SignalRing services. This offering enables a subscriber to have up to three telephone numbers associated with a single access line. A distinctive ringing pattern is provided for the additional number(s), and is offered as SignalRing 1 (one additional number) or SignalRing II (two additional numbers). SignalRing subscribers are entitled to one listing with each SignalRing number at no additional charge. (TR 1471-1472)

The SignalRing 1 rates are proposed to increase from $2.10 to $3.00 (43%) for residential, and from $3.40 to $6.00 (76%) for business customers. SignalRing II rates would increase from $4.05 to $5.00 (23%) and $6.65 to $8.00 (20%) for the respective groups. These changes will increase revenues from $324,353 to $466,292 or a total increase of $141,939. (EXH 14, page 87) Staff recommends approval of this proposal.

UTF has also made two tariff filings that relate to services identified in this issue. In tariff filing T-92-220 (Attachment 1), the Company desires to expand SignalRing into fifteen of its 1210 central office serving areas where it was previously not available. Tariff filing T-92-222 (EXH 74, FBP-9, pages 1-3) requests approval to increase the recurring rate from $0.75 to $2.00 for the SINA "grandfathered" subscribers.

Staff recommends approval of T-92-220 to expand SignalRing into fifteen of UTF's Alcatel DSS-1210 central offices. Heretofore, SignalRing was restricted to the areas served by the DMS-100 and

5ESS central offices due to the 1210 offices not having the necessary software package to provide the service. The Alcatel manufacturer now offers the software to support SignalRing, thus the service can be expanded to include fifteen 1210 offices. However, SignalRing will not be universally available as UTF has an additional eight 1210 offices and ten analog offices that are not designed to provide SignalRing.

Staff recommends denial of T-92-222 to increase the SINA rate from $0.75 to $2.00. SINA, or Special Identity Number Arrangement, is a service almost identical to SignalRing 1. SINA provides for a residence single line subscriber to obtain an additional telephone number for the existing access line, and receive calls differentiated by different ringing signals. The subscriber must pay for an additional listing if the number is to be listed in directory. SINA became an obsolete service in June 1990 because (1) UTF implemented SignalRing and the DMS-100 and 5ESS switches did not have the line-card capability to provide SINA, and (2) UTF had not expected the Alcatel 1210 switch manufacturer to provide the software for SignalRing. (EXH 74, FBP-9, page 1)

UTF's request to increase the SINA rate from $0.75 to $2.00 will increase revenues from $15,282 to $40,752 for a total increase of $25,470.(MFR E-1a, page 154) The Company believes that the coexistence of SINA at $0.75 per month and residential SignalRing 1 at $2.10 per month will create a rate disparity for what appears to be "like" services. (EXH 74, FBP-9, page 1) Staff agrees that a rate disparity currently exists, however, increasing the SINA rate to $2.00 will not alleviate the disparity as UTF is also requesting a rate increase in SignalRing 1 from $2.10 to $3.00. Testimony reiterated that the services are very closely related but that SINA does not provide an additional listing for the second number.(Poag TR 1471) UTF agrees that it is encouraging migration from SINA to SignalRing, and while restricting the SINA rate increase to the same percentage as SignalRing1 may be more reasonable to the SINA subscriber, the Company believes the pricing and value of service are comparable to the SignalRing service.(TR 1472-1473)

Staff does not believe that UTF has justified a 200% increase in the SINA rate from $0.75 to $2.00. The services are very similar, however, unlike the SignalRing subscriber, the SINA subscriber does not receive an additional listing, and we do not believe that any additional value has been identified that would support a greater percentage of increase for SINA. We believe that any increase will be an incentive for the SINA subscribers to migrate to SignalRing, thus the rate increase should be limited to 43% or a new rate of $1.10 on a rounded basis. This rate will increase revenues from $15,282 to $22,414 for a total increase of

$7,132, assuming the same demand as projected by UTF. (EXH 14, page 154)

In summation, staff recommends approval of the proposed rates with the exception of the revised rate increase to $1.10 for the SINA subscribers.

ISSUE 33a: UTF has proposed to eliminate rates for secondary service order charges for subscribers adding Custom Calling Features, SignalRing and ExpressTouch. Should this be approved?

RECOMMENDATION: Yes, removal of the secondary service order charge should stimulate revenues over the long term, and eliminate the need for future tariff filings requesting a waiver of the charge. The revenue effect of this removal is $224,640. [Yates]

POSITION OF PARTIES:

UNITED: The elimination of the secondary service order charge should be approved to allow customers to subscribe to these services without incurring an up-front charge. This will give customers greater flexibility in the use of the features.

Experience has shown that waiver of the secondary service order charge during a special promotion has consistently resulted in a revenue gain for United. Additionally, removal of the secondary service order charge for these services will eliminate the need for future tariff filings requesting a waiver of this charge.

AT&T, FCTA, FPTA & OPC: No position.

STAFF ANALYSIS: UTF proposes elimination of the secondary service order charge (SSOC) for subscribers adding Custom Calling Features, SignalRing and ExpressTouch. (EXH 14, page 38) The Company believes that "Since Custom Calling Features have high contribution margins, removing the application of the Secondary Service Order Charge should stimulate revenues over the long term."(Poag TR 1435) UTF also indicates that revenues have consistently increased on previous occasions where special promotions were conducted with a waiver of the SSOC. (EXH 72, FBP-2, page 27)

Elimination of the SSOC during the test year results in an annual revenue loss of $224,640 for both residential ($101,584) and business ($123,056) services. The individual rates are $9.50 and $16.00, respectively. (EXH 14, page 38)

Staff's discovery attempted to determine how the elimination of the SSOC would affect demand for additional service, however, UTF indicated that the SSOC applicable to each feature is not known, since more than one feature can be added on any one order. (EXH 72, FBP-5, page 31) UTF reiterated that the removal of the SSOC would eliminate the need for applying for waivers on an individual case basis, and as there is a high level of contribution on the services, it should be eliminated. (EXH 72, FBP-5, page 33-

34)

Elimination of the SSOC also benefits customers by allowing them greater flexibility in their utilization of the features. For example, some customers may only need a feature for two or three months at a time, thus the customer benefits by not incurring the SSOC. (EXH 72, FBP-2, page 27)

Staff agrees with the Company's proposal. Although a precise impact on demand cannot be quantified, (EXH 72, FBP-5, page 35) we believe it will increase revenues for the affected services.

Residential/Business/PBX/ABC

ISSUE 34a: UTF has proposed to increase basic local exchange access line revenues (R-1 and B-1) by $59.7 million or 37% increase over current revenues.

RECOMMENDATION: The Commission should deny United's request for a $59.7 million increase in local exchange access line revenues. The Commission should make no changes in local rates other than those outlined in Issue 32 (EAS). The Commission should not change the rate relationships for business services due to lack of substantive discussion of the concept prior to the hearing, thus not allowing the parties to adequately address all concerns with such a revision of rate relationships. [BROWN]

ALTERNATIVE RECOMMENDATION: The Commission should implement the revision of rate relationships for business services. The proposed changes would not affect total revenues, but would change the relationships between business service classes. The Commission should adopt the phase-in approach and only implement the rates at 25% of the proposed final rates at this time. The Commission should not change residential rates. [BROWN]

POSITION OF PARTIES:

UNITED: a) United's proposed residential local service rates average only $11.77 as compared to $14.87 for the average of six southeastern states. The proposed business local service rates average only $24.20 compared to $39.41 for the average of six other southeastern states. When compared to the two largest telephone companies in Florida, United's proposed rates are within 10 percent of the current charges. The changes proposed by the Company in this rate proceeding should be made.

AT&T, FCTA, and FPTA: No position.

OPC: Local rates should be decreased in this case to offset the increases granted by the Commission in United's last case.

STAFF ANALYSIS: United has proposed to increase local exchange rates 37% over their current levels to produce a revenue increase of $59.2 million. Witness Poag in his testimony explained that:

> While United's local rates were increased in the last rate case, they are still lower that Southern Bell Telephone's and GTE's local service rates in Florida. -- Even at the proposed rates, United's

> residential one-party local service rates would average $11.77 compared to $14.87 for the average of six southeastern states. (TR 1433)

United only proposed minor changes to other service rates in the Company's filing. Witness Poag stated that this was due to the fact that the Commission had just completed an intensive review and rate adjustments in United's most recent rate case Docket No. 891239-TL (TR 1432-1433). The Company stated that the only other service for which major rate adjustments were considered was intraLATA toll (EHX 72, FBP-2, pp. 96). United has proposed no other changes to local exchange rates.

OPC believes that United is overearning and that local service rates should be reduced in this case to offset increases granted in the last rate case. OPC's witness Poucher did not provide testimony on this issue. AT&T, FCTA and FPTA have no position on this issue. FPTA did note in its brief that there is no basis upon which to adopt witness Cimerman's proposed restructuring and repricing of business services.

With respect to residential rates staff would recommend that there be no changes in rates or rate relationships. The Commission completely restructured United's local rates in its last case, including reducing the amount of rate groups from nine (9) to six (6). The Commission also granted increases of $15.9 million in local rates in the last rate case. The customer impact varied due to the restructure of rate groups. Although we do believe that the rates in United's lower rate groups are low relative to other companies with similar calling scopes, we do not believe it is reasonable to raise these rates in the face of on overall revenue requirements decrease. Staff believes that no further changes in residential rates or rate relationship are warranted at this time.

<u>Business Services Rate Relationships</u>

Staff witness Richard Cimerman supported proposed changes in rate relationships for business services. Witness Cimerman recommended that the Commission revise its approach to pricing business services. While this issue was entered into this docket at a late date, it is a subject that the Commission has been considering for some period of time. In Commission Order No. 23872, issued December 13, 1990, following the Commission's investigation into the pricing of Southern Bell's PBX trunks and ESSX service, the Commission stated:

> We believe that the issue of potentially inconsistent pricing of similar competitive business services is worth examining in depth. However, we do not believe it is appropriate to reprice PBX, DID and centrex-type offerings or other competitive, functionally equivalent offerings in isolation. Where monopoly service offerings are provided identically and functionally equivalent, and they are provided as part of offerings that have competitive alternatives, they should be offered at the same prices as when offered separately. We will consider this as an issue when Southern Bell files its modified minimum filing requirements in March, 1991. Specifically, we plan to determine whether the local loop, performance of that loop, network usage and touchtone for ESSX, PBX trunks, B-1 lines and other business services should be priced on a similar basis.

Staff believes that this is a clear direction that the Commission intends to review this subject and its merit. Witness Cimerman proposed the initial stage of the repricing of business services. His proposal would involve staff establishing the rates for these services on three underlying cost characteristics. These elements are interconnection to the network (the loop), network usage and various additional functionalities (e.g., signaling, conditioning). The rates would reflect any underlying cost differences in these three elements (TR 1358).

The basis of this change in rate relationships, explains witness Cimerman, is that "...these relationships have historically been established on a relative usage basis and on a concept called "value of service." While this approach may have worked before competition existed, I believe problems may arise if we continue the application of this approach in today's competitive environment. These problems include the potential for uneconomic arbitrage and the inefficient use of network resources." (TR 1363-1364)

Witness Cimerman stated that the Commission should expect the following impact if it implemented a revision of business service rate relationships:

> Regardless of whether the revenue requirements change, I expect that this plan would cause one-party business line rates to increase, PBX trunk rates to decrease, centrex station line and NAR rates to increase relative to each other. (TR 1367)

In cross examination by United, witness Cimerman clarified the issue of whether he was proposing usage rates or a flat rate based upon these characteristics. Witness Cimerman stated that he was proposing a flat rate, based upon where we are starting today and that he believes the important factor is that usage differs more between different service classes and between rate groups than individual customers. (TR 1371)

No other party provided testimony on this issue. OPC has only stated that local rates must be reduced. Ad Hoc Large User Group stated at the hearing that it supported witness Cimerman's proposal. United stated that the Company does recognize the competitive pressures of these services (EXH 72, FBP 2, pp 106). The Company further stated that any move in this direction be done in phases to give customers the opportunity to make adjustments (EXH 72, FBP 5, pp 93).

Conclusion and Recommendation for Primary

The Commission should make no changes to United's local rates. While staff supports the concept of changing the rate relationships for business services, we do not believe a negative revenue requirement supports an increase in any basic local exchange rates at this time. In addition the Commission ordered a restructure and repricing of local service rates in United's last rate case that increased local rates $15.9 million. (With this recommendation), Therefore, there will be no revenue impact to local service rates other than those noted in Issue 32 (EAS).

ALTERNATIVE STAFF ANALYSIS:

Staff has reviewed cost and usage information provided by United and has developed proposed changes in rate relationships based upon this information. Staff derived the following rates, if these services were restructured as proposed by witness Cimerman.

Service	Rate Group 1 Rates Current	Rate Group 1 Rates Revised	% Change	Rate Group 6 Rates Current	Rate Group 6 Rates Revised	% Change
B-1	$15.15	$17.65	16%	$23.95	**$29.75**	**24%**
B-1 Rotary	$23.20	$19.65	<15>%	$36.70	**$32.80**	**<11>%**
PBX	$30.30	$23.35	<23>%	$47.90	**$38.30**	**<20>%**
ABC	$15.15	$17.65	16%	$23.95	**$29.75**	**24%**

(Based upon cost information provided in EXH 72, FBP 2, pp 437-534 and usage data from EXH 14, MFR SCH E-9)

The table reflects the range of effects, with the most significant impact in rate group 6. As noted earlier this proposal is based upon revenue neutrality; total revenues currently received from these services would not change, but only the rate relationships between service categories.

There is some need to discuss how staff determined the new relationships. Review of United's cost data indicated, for these services, that loop costs amounted to approximately 80% of the total cost. Current revenues were then split, treating 80% percent as loop related and 20% as usage related. The loop costs suggest that the cost for all loops is the same. Based on usage information (EXH 14, MFR SCH E-9), we developed factors reflecting the underlying usage relationships between these services. Weightings were developed to distribute loop and usage related revenues. The current rate relationship of B1 to PBX is 1 to 2 (the current PBX rate is twice the amount of a B1), while under the revised rates it would be 1 to 1.3 (the proposed PBX rate would be only 1.3 times the B1). This is a dramatic shift in rate relationship.

As noted above the difference between the current and revised rate relationships for B-1 to PBX is .7. Staff believes that with such a dramatic change in the rate relationships, witness Poag's suggestion of a phase-in approach (EXH 72, FBP 5, pp 93) may be more appropriate. To lessen the rate shock, staff would recommend in this case that the Commission only move the business rate relationships 25% toward rates based on cost and usage characteristics. This would result in a change in the rate relationship between a B1 and PBX of 1 to 1.82, or .18.

With this modification, staff would recommend the following rates:

Service	Rate Group 1 Rates Current	Rate Group 1 Rates Proposed	% Change	Rate Group 6 Rates Current	Rate Group 6 Rates Proposed	% Change
B-1	$15.15	$15.70	3.63%	$23.95	$25.25	5.43%
B-1 Rotary	$23.20	$22.45	<3.23> %	$36.70	$35.80	<2.45> %
PBX	$30.30	$28.75	<5.12> %	$47.90	$45.90	<4.18> %
ABC	$15.15	$15.70	3.63%	$23.95	$25.25	5.43%

(Based upon cost information provided in EXH 72, FBP 2, pp 437-534 and usage data from EXH 14, MFR SCH E-9)

This is a start in the direction that the Commission has stated that it would like to see business rates move towards. Staff believes that the phase-in approach is appropriate and would provide minimal impact to customers if implemented. As noted earlier, there would be no overall revenue impact with the proposed changes, only interrelationship changes between business services rates. There are other rate elements that are related to the B1 rate (ABC NARs, ABC Station Hunting, and EAS additive charges), and staff would propose that these rates be revised on the same basis as noted above. Staff believes that these services should be included so that the overall change will remain revenue neutral. Consequently, the rates shown in the above table will need to be modified slightly. In addition, residential rates and revenues would not change under the proposal.

<u>Conclusion and Recommendation for Alternative</u>

Staff believes that the Commission should implement the revision of rate relationships for business services. The proposed changes would not effect total revenues, but would change the relationships between business service classes. The Commission should adopt the phase-in approach and only implement the rates at 25% of the proposed final rates at this time. The Commission should not change residential rates.

ISSUE 34b: UTF has proposed to continue the restructure of Direct-Inward-Dial (DID) service.

RECOMMENDATION: The restructure in DID services should continue. Staff believes that it is appropriate to continue the restructure and repricing of DID services. The Commission started the restructure in United's last rate case and this is an appropriate point to continue. The restructure will provide a decrease in revenues of $131,220. [BROWN]

POSITION OF PARTIES:

UNITED: b) In United's last rate case, DID rates were adjusted as a first phase to move the rates more in line with the rates approved by the Commission in Docket No. 870675-TL for cellular interconnection. The proposed change is a continuation of the phased approach to establish uniformity in the rates for PBX DID service and cellular interconnection DID service. This phased approach will mitigate customer impact. Maximum impacts are less than 50% with approximately 75% of DID customers having impacts less than 25%. The changes proposed by the Company in this rate proceeding should be made.

AT&T, FCTA, and FPTA: No position.

OPC: Local rates should be decreased in this case to offset the increases granted by the Commission in United's last case.

STAFF ANALYSIS: United has proposed to continue the restructure for Direct-in-Dialing (DID). In the Company's last rate case (Docket No. 891239-TL), United initiated the first step of a restructure of DID rates. DID service provides a customer the ability to route incoming calls directly to a called party instead of having to go through a live operator or receptionist. DID service also allows the called party (who may share a trunk) to appear as if he has a direct line used only by him. DID requires central office switching equipment that will complete calls from the LEC network directly to stations located on the customer premises without intervention by a PBX attendant.

United's current and proposed DID rates are as follows:

DID Monthly rates for:	Current	Proposed
Block of 20 numbers	$ 25.00	$ 12.50
Block of 100 numbers	$100.00	$ 50.00
DID Trunk Termination per trunk	$ 20.00	$ 30.00

In United's last rate case the rates for DID service were completely restructured to its current structure in an effort to make the application of DID rates for different services more consistent. (Poag, TR 1435) The Company maintains that with the continued restructure that 75% of DID customers will have impacts of less than 20%. (EXH 72, FBP 2, pp 170)

DID Customer Impact Example

Typical Customer Examples	Trunks & Blocks of Numbers	Current Total	Proposed Total	Percent Change
Average Customer	10 Trunks 2 Blocks of 100 Numbers	$400.00	$400.00	0%
Large Customer	21 Trunks 4 Blocks of 100 Numbers	$820.00	$830.00	1.2%
Small Customer	3 Trunks 1 Block of 100 Numbers	$160.00	$140.00	(12.5)%

(EXH 72, FBP 2, pp 104)

The other parties have taken no specific position on this issue. Again, OPC's position for all of Issue 34 is that local rates should be decreased.

Staff agrees with United's proposal to continue the restructure of DID rates. The previous case implemented the same structure for these services that was contained in the mobile interconnection tariff. The impact of the proposed changes will result in a decrease in annual revenues. The Company's revenues for DID service in the test year are $1,500,375 which is a decrease of $131,220 over the current test year annual revenues of $1,631,595. (EXH 14, MFR SCH E-1a)

Staff believes that the continued restructure of DID services is appropriate and should be approved. This is a logical step in the phase-in approach to restructure DID services. The Commission has approved the restructure of PBX DID rates to make the application of DID rates for different services more consistent. This is not the final step however, mobile interconnection rates are still at different levels that DID service rates. The current mobile interconnection tariff has a DID numbers rate at $.40 and a termination rate of $38.00.

There will need to be a couple of additional steps to the phase-in of these rates and these steps need to occur in future rate cases or as excess revenue is identified that may need to be offset. Therefore, staff recommends the proposed changes in DID services which will result in a revenue decrease of $131,220.

ISSUE 34c: United has proposed changes in its Advanced Business Connection (ABC) service rates.

RECOMMENDATION: The Commission should deny the increase in Advanced Business Connection (ABC) service rates if it denies the request to increase local exchange rates. The amount of revenue requested on those ABC services that are tied to the local rates is $642,648. The Company's proposal also requests rate changes in certain ABC Custom Calling Feature rates, and staff recommends approval in the revenue decrease of $147,163. [YATES]

POSITION OF PARTIES:

UNITED: c) UTF is proposing increases in the ABC service rates which are expressed in the tariff as a percentage of the B1 or PBX trunk rate. Because ABC service competes with B1 and PBX services, it is appropriate that a rate increase in B1 and PBX trunk rates be accompanied by a comparable increase in ABC service rates. Increasing the ABC rates in proportion to the B1 and PBX trunk rates should maintain the relative competitive positions of the services. The changes proposed by the Company in this rate proceeding should be made.

AT&T, FCTA, and FPTA: No position.

OPC: Local rates should be decreased in this case to offset the increases granted by the Commission in United's last case.

STAFF ANALYSIS: UTF is also proposing rate increases in several other services as a result of these services' rate elements being tied to local service rates. These services include the Advanced Business Connection (ABC) network access register and ABC hunting rates. These rates are proposed to increase consistent with their existing relationship to local service rates. (TR 1437)

ABC is a central office communications system package provided in association with individual line exchange and resident services furnished from a digital central office Company location. All features are available to Touch-tone signalling that will accommodate up to 25 lines. An Enhanced ABC service is available in systems with 26-75 lines or 76-150 lines.

The ABC basic system standard features include call hold, call pickup, ring again, station-to-station calling and three-way conference/transfer/consultation hold. Optional features include call forward-don't answer, call forward-busy, call forwarding, call waiting, class-of-service restrictions, station controlled conference, meet-me conference, speed call-station, speed call-group, automatic line, call park, station hunting, off-premises extension station, ABC 800 service, ABC OUTWATS, ABC OUTWATS/callback queue, multiple appearance directory number, auto answer back, fictitious directory number and music-on-hold.

The Enhanced ABC service is also provided from digital central offices with basic service features of Direct Inward and Outward Dialing (DID,DOD), Intercommunication calls, Identified Outward Dialing (IOD), intercept and station line hunting. Optional services include an array of features in excess of those on the basic ABC system. The number of exchange and long distance calls in the Enhanced ABC system is limited by the number of Network Access Registers (NAR) subscribed to by the customer.

ABC is offered as Basic and Enhanced. The Basic offering is designed for the smaller customer configurations which would normally be served by business one-party and business rotary services terminated in key telephone systems. The recurring rate for Basic ABC service is an addition to the business basic service rates. Enhanced ABC is an alternative to PBX service with trunks. The Enhanced ABC network access registers (NARs) are tied to the PBX trunk rate.

Staff has recommended that an increase in local rates is not appropriate, therefore, we recommend that the Commission also deny UTF's request to increase those ABC rates that are tied to local rates. Staff's recommendation would disallow the proposed revenue increase for ABC Basic Access Lines in the amount of $587,806 (MFR E-1a, page 64); the $17,935 increase for ABC Station Hunt rates (MFR E-1a, page 65) and the $36,907 revenue increase in ABC Network Access Register rates. (MFR E-1a, page 66) The total revenues that should be disallowed is $642,648.

The effect of denying UTF's proposed rate increases on the ABC rates in the amount of $642,648 will reduce the Company's proposed revenue change of $403,973 (MFR E-1a, page 84) to a net decrease of $238,675. This reduction will reduce the annual present revenue of $3,300,208 (MFR E-1a, page 84) to $3,061,533.

Staff's recommendation to deny those ABC rates that are tied to local rates does not include the denial of the Company's proposal to change rates for certain Custom Calling Features (CCF) offered with ABC in Section A12 of the General Exchange Tariff to those proposed for the CCF offered to other subscribers in Section A13 of the tariff. (TR 1437) These changes will result in a revenue decrease of $147,163. (MFR E-1a, p. 64-65)

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ISSUE 34d: United proposes to implement a Subscriber Line Charge (SLC) credit for ABC service.Subscriber Line Charge Credit for ABC Service.

RECOMMENDATION: The Commission should approve UTF's proposal to implement a Subscriber Line Charge (SLC) credit for ABC subscribers which will result in a revenue decrease of $91,512. [YATES]

POSITION OF PARTIES:

UNITED: d) Currently an inequity exists in the Subscriber Line Charge (SLC) assessment for United's PBX and ABC subscribers. PBX subscribers pay the SLC per trunk while ABC subscribers pay the SLC per each access line. In an effort to make ABC pricing more comparable to the pricing of PBX service, United proposes charging the SLC to end users based on the number of Network Access Registers (NARs) rather than the number of lines. Due to Federal regulatory requirements this charge will be implemented by the use of SLC credits. This change will make ABC service more comparable in price with PBX service with which it competes.

AT&T, FCTA, and FPTA: No position.

OPC: Local rates should be decreased in this case to offset the increases granted by the Commission in United's last case.

STAFF ANALYSIS: UTF's request for an increase in ABC rates also includes a proposal to establish a Subscriber Line Charge (SLC) credit similar to the plans which have been approved for Centel, GTE-Florida and Southern Bell. (TR 1438) The Company believes an inequity exists in the SLC assessment for its PBX and ABC subscribers. PBX subscribers pay the SLC per trunk while ABC subscribers pay the SLC per each access line. In an effort to make ABC pricing more comparable to the pricing of PBX service, United proposes charging the SLC to end users based on the number of Network Access Registers (NARs) rather than the number of lines. Due to federal regulatory requirements, this charge will be implemented by the use of SLC credits. (UTF Brief, page 308)

In an Enhanced ABC system, network access is limited by the number of NARs. The NAR limits the number of simultaneous outside calls to and from an ABC system and provides a mechanism for charging for use of the switched network. The equivalent to a NAR in PBX service is the local network usages accounted for in the PBX trunk rate. In the case of a PBX, network access is limited by the number of trunks. In an Enhanced ABC system, network access is limited by the number of NARs. The NAR is, in effect, trunk equivalency.

The concept of trunk equivalency allows United to base the SLC collected from the customer on a trunk equivalency basis rather than a per station basis, thus reducing the cost to the customer. SLCs are an FCC requirement based on volume of service or $6.00 per trunk. With UTF's SLC credit, ABC customers would pay SLCs equivalent to those paid by PBX customers. The ABC customers' charges would equate to $6.00 per network access register. This is comparable to the $6.00 SLC a PBX customer is charged for each trunk. (TR 1438)

UTF's proposed SLC credit is the same as Centel's methodology of charging a SLC per each equivalent trunk. (EXH 72, FBP-2, page 561) Although UTF has not included a trunk equivalency chart in its ABC tariff, it compares its method with Centel's chart on Sheet 6, Section 12 of Centel's General Customer Services Tariff. If a centrex customer equips their system based on the recommendations in the trunk equivalency chart, then they pay SLC charges for the number of equivalent trunks shown in the chart. If the customer requires a greater number of trunks than those shown in the chart, then the regular SLC applies to each additional trunk equivalent. (EXH 72, FBP-2, page 561) An excerpt of Centel's Trunk Equivalency Table illustrates how, for example, a customer with 6 lines would pay $36.00 (6 lines at $6.00 per line) under the current SLC per-station. However, under the proposed SLC per-NAR or trunk equivalency, the customer would pay the SLC Equivalent Monthly Rate of $12.00 (2 trunks at $6.00 per trunk), thus deriving a credit of $24.00 over the current method.

NO OF LINES	EQUIVALENT NO TRUNKS	SLC EQUIVALENT MONTHLY RATE
1	1	$6.00
2-6	2	$12.00
7-15	3	$18.00
...	...	...
282-300	24	$144.00

UTF's application of the SLC on a NAR basis instead of an access line basis will result in a decrease of annual revenues, or SLC credits, of $91,512. (MFR E-1a, page 66 and Exhibit No. 72, FBP-2, page 560) To the extent additional contributions from ABC are realized, rates for other services will be maintained at lower levels than would otherwise be the case. (EXH 72, FBP-2, page 564)

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Staff recommends denial of the requested changes in the ABC service rates that are tied to the local rates if the Commission decides that it is not appropriate to increase local exchange rates. However, we do recommend approval of UTF's request to revise the ABC Custom Calling Feature rates. We also recommend approval of the SLC credit as it will make ABC pricing more comparable with PBX service, and is consistent with the Commission's prior approval of similar plans for Centel, GTE-Florida and Southern Bell.

ISSUE 34e: How should the Commission tariff local service for telephones installed in elevators?

RECOMMENDATION: Under the current United tariff the elevator telephones at issue should be charged business rates. This is appropriate at the present time, but may not be consistent with Commission policy with respect to electric service provided to common areas of condominiums, boarding houses and apartments. In DN 7697-EU, Order No. 4150 (issued March 2, 1967), the Commission required electric utilities to amend their tariffs to provide for the application of residential rates for energy used in commonly-owned facilities in condominium and cooperative apartment buildings subject to certain criteria. The Commission may wish to revise its policy regarding telephone service provided to common areas of condominiums, boarding houses and apartments. If the Commission wishes to revise its policy, and because this is a generic matter that effects all LECs, the Commission should initiate a generic proceeding to determine how both telephones installed in elevators and telephones in common areas of condominiums, boarding houses and apartments should be tariffed. [BROWN]

POSITION OF PARTIES:

UNITED: This is the subject of a pending complaint against United by the agent of several condominiums. Under United's existing tariff, telephones in elevators in condominiums are charged at the business rate. The agent wants to apply the residence rate.

Whether residence or business service rates apply is determined, in part, by who the customer is. For elevator telephones in condominiums the customer is the condominium association, a business entity, rather than any person who lives in the condominium.

The existence of telephones in elevators is not for domestic residence service but rather to meet the condominium association's legal liability for maintaining its premises in a safe condition.

No basis exists for applying any rate other than the business rate.

AT&T, FCTA and FPTA: No position.

OPC: If installed in areas serving residences, such as phones located in condominium elevators, this service should receive residential rates.

DOCKET NUMBER 910980-TL
JUNE 18, 1992

STAFF ANALYSIS: On February 19, 1992, Clipper Bay Condominium Association, Inc. and several other condominium associations (Clipper Bay) filed complaints against United Telephone Company of Florida (United). The complaints are substantively identical and allege that United has, for a number of years, been inappropriately charging business rates for elevator telephones in the various condominiums. Clipper Bay asserts that it is the policy of the State of Florida that condominiums are residential. Clipper Bay further alleges that United's tariffs provide that residential rates should apply. These complaints were addressed in Docket No. 920464-TL.

It is United's position that the subscribers of the telephones at issue are the respective condominium associations; that the purpose of the telephones are primarily business; and that under United's tariffs the elevator telephones are properly billed as business. The Commission heard this complaint at the June 18, 1992 agenda and decided to move forward with the complaint and discuss the matter in the context of the rate case.

Section A2 C.5 of United's tariff sets forth the criteria for determining whether business or residential rates should apply.

* Subpart a. requires that determining the appropriate rate depends on the character of the use to be made of the service. In this case, the primary use would be to call for help in the event of an emergency. The actual users of the service would normally be the residents of the condominiums. The character of use from this point of view would not be considered business.

* Subpart b.(6), however, states that business rates shall be charged where the subscriber's use of the service is for business purposes. In this case, the subscriber is the condominium association and its use of the service is to provide for the safety and well-being of the condominium residents and other users of the elevators. The character of use would therefore be considered business from the subscriber's point of view.

* None of the Florida intrastate tariffs of the four largest LECs specifically identify the type of service applicable to elevator telephones or to other common areas of condominiums. Boarding houses (except in the private apartments), and the offices of apartment houses are specifically identified as requiring business rates.

* The four largest LECs currently charge business rates for telephone service in condominium elevators, i.e., single line (B1), private line (ring down circuit), or as part of a PBX or centrex system. Centel offers Hot Line Service, as an add-on to business rates, for use in elevators.

Based on current language in its tariffs, staff believes United has interpreted its tariff correctly in charging business rates to condominium associations for elevator telephone service.

There continues to exist an inconsistency in Commission policy. Under electric service tariffs, the common areas of condominiums, apartment houses and boarding houses are billed as residential.

* In DN 7697-EU, Order No. 4150 (issued March 2, 1967) (Attachment 2), the Commission required electric utilities to amend their tariffs to provide for the application of residential rates for energy used in commonly-owned facilities in condominium and cooperative apartment buildings subject to the following criteria:

1. 100% of the energy is used exclusively for the co-owners' benefit;

2. None of the energy is used in any endeavor which sells or rents a commodity or provides service for a fee;

3. Each point of delivery will be separately metered and billed;

4. A responsible legal entity is established as the customer to whom the company can render its bills for said service.

In DN 790847-EU, (Order No. 10104 issued June 25, 1981), the Commission expanded this requirement to include commonly owned facilities of homeowners, in a case involving a complaint by certain homeowners' associations against Florida Power and Light and the Commission.

Staff has taken a different position on this issue since it was last before the Commission. Staff now believes that the Commission should go forth with a generic proceeding. This is based upon several reasons, first, since this issue was added late in the process (the issue was added at the prehearing conference), limited discovery of the issue was allowed. Secondly, we believe that this is an area that revenue impact information is vital, with the limited discovery period, no revenue information was obtained. Finally, this is more of a generic question and should be addressed by all LECs.

Staff believes that the generic proceeding will result in rulemaking, thus the financial implications will be addressed with the Economic Impact Statement (EIS). Ideally, this is a case where you would to address the policy for all companies at one time, then implement that policy in rate cases. Staff believes that while the Commission could have addressed this issue separately in each of the following rate cases, that the recommendation in each case would be essentially the same. Therefore, staff recommends the Commission should initiate a generic proceeding to determine how both telephones installed in elevators and telephones in common areas of condominiums, boarding houses and apartments should be tariffed.

DOCKET NUMBER 910980-TL
JUNE 18, 1992

Catch All

ISSUE 35: Should United be required to itemize its bills on a monthly basis?

RECOMMENDATION: No. United is in compliance with the Rule 25-4.110(1)(a)(b) which requires that the telephone companies itemize bills upon customer request, with the first bill rendered after service is initiated or service order activity has resulted in a change in the bill, and at least once a year. Further staff does not recommend that the Commission commend rulemaking on this issue. We do not have evidence that this is a significant problem. [Shelfer]

POSITION OF PARTIES

UNITED: No. Rule 25-4.110 provides that telephone companies shall itemize bills upon customer request, with the first bill rendered after service is initiated or service order activity has resulted in a change in the bill, and at least once a year. United is in full compliance with the rule.

United estimates that it would cost $500,000 a year to itemize bills monthly. No provision has been made for recovery of that expense in this proceeding.

AT&T, FCTA, and FPTA: No position.

OPC: At a minimum the Commission should require United to submit a proposal to itemize bills on a monthly basis. See generally Poucher, Tr. 649-650;

STAFF ANALYSIS: Rule 25-4.110 (Customer Billing) requires that the telephone companies issue bills monthly and that each bill show the delinquent date, provide a clear listing of all charges due and payable and contain the following statement: "Written itemization of local billing available upon request." In addition, itemized bills will be provided with the first bill rendered after service is initiated or changed, and at least once a year. The annual itemized bill will contain an explanation of the itemization and advise to the customer to verify the items and charges on the itemized bill.

Witness Poucher's states that two primary consumers complaints are inaccurate billing and being charged for additional items not ordered. (TR 649-650) In addition, he contends there is customer confusion in interpreting the bill. (TR 664-665) He further states that telephone companies are actively merchandising vertical services, such as custom calling and Expresstouch, and receive bonuses based on sales of such services. Witness Poucher asserts that this practice creates a strong possibility that consumers are not fairly treated. (Poucher, TR 649-650)

Staff recognizes that billing problems exists as expressed by witness Poucher, however, staff would argue that those customers experiencing difficulty with their bill can call the Company for assistance and/or request an itemized bill at any time. It's staff belief that the monthly bill sufficiently discloses any change(s) made to a customers service by itemizing that change on the next months bill. This provides the customer with an opportunity to determine if the change in his bill is accurate.

United contends it should not be required to itemize its bill on a monthly basis. United asserts it is in full compliance with Rule 25-4.110 (Customer Billing), which requires periodic itemized billing. The Company estimates it would cost $500,000 annually to itemize bills monthly. Witness McRae argues that Public Counsel's proposal to itemize bills monthly has not included any mechanism for the recovery of costs associated with this change or evidence of the need for it. He further contends "...any customer may request a detailed bill at any time or call a service representative to have a bill explained in detail, it is inappropriate to require the Company to unnecessarily incur an additional $500,000 annually in increased costs in order to meet a need which we do not believe exists." (TR 785)

Staff agrees with United's witness McRae's position that the United is in compliance with the Rule 25-4.110. Staff does not believe that monthly itemized billing should be required. As stated by United, the Company is in compliance with Rule 25-4.110, which requires that the telephone companies itemize bills upon customer request, with the first bill rendered after service is initiated or service order activity has resulted in a change in the bill, and at least once a year. There was no evidence to support a need or desire by customers to warrant the additional estimated cost of $500,000 annually to provide the monthly itemized bill. Staff believes Rule 25-4.110(1)(a)(b) is adequate and recommends that United not be required to itemize its bill on a monthly basis. Staff believes it would be improper to require United to meet stricter billing requirements than what is required by all other LECs, when United is complying with the Rules. If the Commission were interested in requiring all LECs to provide monthly itemized billing then it would be necessary to initiate a rule making proceeding. However, staff does not recommend that at this time.

DOCKET NUMBER 910980-TL
JUNE 18, 1992

ISSUE 36: The following services have not been addressed in other issues and no changes have been proposed:

Tariffed Items (Listed by tariff section)

- A2, General Regulations.
- A4, Service Charges (other than secondary service connection charge).
- A5, Charges Applicable Under Special Conditions.
- A6, Directory Listings.
- A7, Coin Telephone Service.
- A8, Telephone Answering Service.
- A9, Foreign Exchange Service.
- A13, Miscellaneous Service Arrangements (other than Custom Calling, SignalRing, and ExpressTouch).
- A14, Auxiliary Equipment.
- A15, Connection with Certain Facilities and/or Equipment of Others.
- A19, Wide Area Telecommunications Service.
- A20, Private Line Service and Channels.
- A24, Emergency Reporting Services.
- A29, Data Transport Service.
- A108-A124, Obsolete Tariff Offerings.
- E2, General Regulations.
- E7, Special Access Services.
- E8, Billing and Collection Services.
- E16, Access Service for Local Exchange Companies' completion of IntraLATA-Intercompany Long Distance MTS and WATS calls (other than the MABC BHMOC flow through).

Non-Tariffed Items

- Directory Advertising.
- Rent Revenues (Pole attachments, IXC floor space, etc.).
- Miscellaneous Other Operating Revenues (UTLD royalty, COBRA, etc.).
- Non-Access Revenues (IXC contracts for Operator Services).
- E-911 Contracts and Private Line Settlements with Southern Bell, GTEFL, and Vista-United.
- InterLATA Private Line Terminal Equipment.
- Intrastate InterLATA FG A EAS Contract.
- MessageLine.

Is this appropriate?

RECOMMENDATION: Yes, with the exception of private line and special access services, which are being addressed in separate dockets and secondary service connection charge, Custom Calling, SignalRing, ExpressTouch, and MABC BHMOC flow through, which are being addressed in Issues 31, 33, and 33a in this docket. [Shelfer]

POSITION OF PARTIES

UNITED: It is appropriate not to change the rates of the listed services. With the exception of private line services and special access services, which are being addressed in separate dockets, the rates for most of these services were adjusted in 1991.

AT&T, FCTA, FPTA, and OPC: No position.

STAFF ANALYSIS: The rates for virtually all of United's services were reviewed and modified during or in conjunction with United's last rate case. There are a reduced number of rate changes requested in this rate case as a result of having completed a comprehensive rate evaluation less than two years ago. (EXH 72, p 392)

Staff agrees with United's position that it is appropriate to exclude these services from the rate case, (with the exception to private line and special access, secondary service connection charge, Custom Calling, SignalRing, ExpressTouch, and MABC BHMOC flow through), since these services were evaluated in United's last rate case. (EXH 72, p 392)

Staff believes it is appropriate that these services not be addressed in this rate case with exception of private line and special access services, which are being addressed in separate dockets and secondary service connection charge, Custom Calling, SignalRing, ExpressTouch, and MABC BHMOC flow through, which are being addressed in Issues 31, 33, and 33a in this docket.

Tariff Effective Date/Customer Notification

ISSUE 37: What should be the effective date of any rate changes?

RECOMMENDATION: The effective date should be five days after a complete set of tariffs has been filed. Revised tariffs should be filed five days after the final vote. New rates should apply to all service received on or after the effective date even if it is not actually billed until the following month. Any customer requesting discontinuance of service prior to the due date of the first bill should receive a credit for the increase amount back to the effective date of the increased amount. In addition, if the Commission should order United to implement EAS changes noted in Issue 32, United should monitor revenue changes and file revenue impact data in six months. If additional revenues exist, it should be used to implement interLATA EAS. [BROWN]

POSITION OF PARTIES:

UNITED: The new rates should become effective within five days after correct tariffs have been filed.

AT&T, FCTA and FPTA: No position.

OPC: The Commission should order a rate decrease effective July 1, 1992. If the Commission nonetheless decides to order a rate increase, the increase should not go into effect before July 1, 1992. The forecasted test year used in this case does not start until July 1, 1992, and the company's current earnings are already way too high. The company's most recent surveillance report filed with this Commission reports that United earned a return on equity of 13.64% for the twelve month period ended January 31, 1992. Exhibit 65. It would be entirely inappropriate to grant an early rate increase when the company is already charging its customers too much.

STAFF ANALYSIS: The effective date should be five days after a complete set of tariffs has been filed. Revised tariffs should be filed five days after the final vote. Before the tariffs become effective, enough time is required in order for the staff to review the tariffs to determine their compliance with the Commission's written order. The staff should have a period of 5 days to review those tariffs in their final proposed form in order to insure that the rates as filed comply with the Commission's vote. Billing should apply to all service received on or after the effective date even if it is not actually billed until the following month. Any customer requesting discontinuance of service prior to the due date of the first bill should receive a credit back to the effective date of the increased amount.

ISSUE 37a: When should customers be notified of any rate changes?

RECOMMENDATION: United should notify its customers by a bill stuffer reflecting any rate changes in the first billing cycle following the rate changes. [BROWN]

PARTIES POSITION:

UNITED: Customers should be notified of the rate changes by a bill insert explaining the rate changes mailed with the customer's bill which reflects the new rates.

AT&T, FCTA and FPTA: No position.

OPC: Customers should be notified about rate changes as quickly as possible.

STAFF ANALYSIS: United should notify its customers of any rate change associated with this rate case as soon as possible. Staff believes that United should notify its customers by a bill stuffer reflecting any rate changes in the first billing cycle following the rate changes. This not inconsistent with positions taken by the Company or OPC.

Issue 37b, addresses the contents of the notification. Staff believes that the Commission's expectations of timely notification should be clearly defined for the Company. United should notify its customers by a bill stuffer reflecting any rate changes in the first billing cycle following the rate changes.

ISSUE 37b: What should be contained in the bill stuffer to UTF customers announcing any rate changes?

RECOMMENDATION: The bill stuffer to United's customers should contain the following:

1) An overview of the case and a summary of the final order;

2) Summary of services for which rates have been adjusted (Current rates and approved rates listed side by side);

3) A statement that information on new rates is available from each of the Company's business offices and service centers; and,

4) Explanation of the credit for discontinuance or modification of service and how it may be obtained.

The bill stuffer should be submitted to staff for review within 5 days of the Commission's vote. [BROWN]

PARTIES POSITION:

UNITED: The bill insert should contain the approved new rates for service.

AT&T, FCTA and FPTA: No position.

OPC: The Commission should provide customers a plain, understandable description of each rate change.

STAFF ANALYSIS: The bill stuffer that is mailed after the decision in this case should contain certain basic information about the case itself and the results of the Commission's final decision. Although the bill stuffer cannot explain every increase that may affect a particular customer, it should contain information that is common to a large majority of the customers, that is basic local rates by exchange, directory assistance charges, etc.

Even though the customer body has generally been noticed concerning United's proposed rate case, most customers are unaware of the effective date of the increase or specifically how or when it would affect their bills. Therefore, it is an appropriate concern of the Commission that the customers get adequate notice of rate changes.

In addition, a summary of services for which rates have been adjusted should appear in the bill stuffer. It should also contain a summary of selected services which are used by large numbers of customers for which rates have been adjusted, showing a side by side comparison of the current and approved rates. It should also contain a statement that the information on the new rates is available from each of the Company's business offices and service centers.

The bill stuffer should contain notification to the customer that requests for discontinuation or modification of service, if made before the due date of the bill, will enable the customer to receive credit for the rate increase portion of the charge for that item back to the effective date of the increase. Finally, the bill stuffer should be submitted to staff for review within five (5) days after the Commission vote.

WITHOUT STIMULATION

United Telephone Company of Florida
Docket No. 910980-TL Test Year 1992 – 93
Revenue Distribution Comparison

Issue	Tariff Section	Service Description	COMPANY PROPOSED: Test Year 1992 –93 Rev. Current	Proposed	Revenue Effect Amount	Percent	STAFF RECOMMENDED: 1992 – 93 Revenues: Recommended	Revenue Effect Amount	Percent	Revenue Effect: Staff v. Company
32a–e and 34a	A3	Local Rates: Recurring								
		Access Lines	$164,033,061	$222,757,432	$58,724,351	35.8%	$164,033,061			($58,724,351)
		Message Rate Plan	4,820,375	4,820,375			4,820,375			
		Directory Assistance	5,734,000	5,734,000			5,734,000			
		Local Operator Assistance	3,230,992	3,230,992			3,230,992			
32a		Clermont EAS Additive					(434,381)			
32b		Toll–Pac EAS Adjustments					(589,830)			
32c		Bonita Springs EAS Additive					(688,800)			
32d		OEAS and Trilacoochee Adjustments					(665,307)			
		EAS Optional	1,056,886	1,514,129	$457,243	43.3%	1,056,886			($457,243)
		Toll–Pac	124,835	124,835			124,835			
		OEAS II	127,154	127,154			127,154			
		OEAS Option 1	299,837	299,837			299,837			
		Total	$179,427,160	$238,608,754	$59,181,594	33.0%	$176,949,842	($2,477,318)	–1.4%	($61,658,912)
33a and 36	A4	Service Connection Charges								
		Nonrecurring	22,217,519	21,992,879	($224,640)	–1.0%	21,992,879	($224,640)	–1.0%	
34b	A11	PBX DID								
		Recurring	1,608,120	1,470,780	($137,340)	–8.5%	1,470,780	($137,340)	–8.5%	
		Nonrecurring	23,475	29,595	$6,120	26.1%	29,595	$6,120	26.1%	
34c and 34d	A12	CO Non–Transport Services								
		Recurring	3,300,208	3,704,181	$403,973	12.2%	3,061,533	($238,675)	–7.2%	($642,648)
		Nonrecurring	166,323	166,323			166,323			
33	A13	Misc. Service Arrangements								
		Recurring								
		TouchTone	11,001,384	11,001,384			11,001,384			
		Other	20,513,144	22,190,750	$1,677,606	8.2%	22,190,750	$1,677,606	8.2%	
		Nonrecurring	182,069	182,069			182,069			
31d	A25	Interconnection of Mobile Services								
		Recurring	3,617,092	3,561,934	($55,158)	–1.5%	3,601,464	($15,628)	–0.4%	$39,530
		Nonrecurring	301,434	301,434			301,434			
33 and 36	A113	Obsolete Services: Miscellaneous Service Arrang.								
		Recurring	30,093	55,563	$25,470	84.6%	55,563	$25,470	84.6%	
		Nonrecurring	1,815	1,815			1,815			
31c	E3	Carrier Common Line								
		Recurring	45,853,984	47,089,056	$1,235,072	2.7%	47,089,056	$1,235,072	2.7%	
31a	E4	BHMOC	20,655,140	12,581,460	($8,073,680)	–39.1%	18,302,023	($2,353,117)	–11.4%	$5,720,563
31c	E6	Switched Access Service								
		Recurring	45,251,580	46,649,159	$1,397,579	3.1%	46,649,159	$1,397,579	3.1%	
		Nonrecurring	143,201	143,201			143,201			
31b and 36	E16	IntraLATA Intercompany MTS and WATS Calls (LEC toll bill & keep)								
		Recurring	7,956,959	7,621,639	($335,320)	–4.2%	7,859,230	($97,729)	–1.2%	[illegible]
		REVENUE EFFECT OF CHANGES	$362,250,700	$417,351,976	$55,101,276	15.2%	[illegible]	[illegible]	–0.3%	[illegible]
36		OTHER INTRASTATE REVENUE	$150,864,359	$150,864,359			[illegible]			
20b and 20b.1		Local Revenue Change in Test Year	(1,639,632)	(1,639,632)			[illegible]			
		TOTAL INTRASTATE REVENUE	$511,495,427	$566,596,703			[illegible]	[illegible]		
		TOTAL INTERSTATE REVENUES	$197,925,668	$197,925,668			[illegible]			
		TOTAL REVENUE	$709,421,095	$764,522,371	$55,101,276	7.8%	[illegible]	[illegible]	[illegible]	[illegible]

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WITH STIMULATION

United Telephone Company of Florida
Docket No. 910980-TL Test Year 1992 - 93
Revenue Distribution Comparison

Issue	Tariff Section	Service Description	COMPANY PROPOSED: Test Year 1992 -93 Rev. Current	COMPANY PROPOSED: Proposed	COMPANY PROPOSED: Revenue Effect Amount	COMPANY PROPOSED: Revenue Effect Percent	STAFF RECOMMENDED: 1992 - 93 Revenues: Recommended	STAFF RECOMMENDED: Revenue Effect Amount	STAFF RECOMMENDED: Percent	Revenue Effect: Staff v. Company
32a-e and 34a	A3	Local Rates: Recurring								
		Access Lines	$184,033,081	$222,757,432	$58,724,351	35.8%	$184,033,081			($58,724,351)
		Message Rate Plan	4,820,375	4,820,375			4,820,375			
		Directory Assistance	5,734,000	5,734,000			5,734,000			
		Local Operator Assistance	3,230,992	3,230,992			3,230,992			
32a		Clermont EAS Additive					(434,381)			
32b		Toll-Pac EAS Adjustments					(545,323)			
32c		Bonita Springs EAS Additive					(888,800)			
32d		OEAS and Trilacoochee Adjustments					(586,652)			
		EAS Optional	1,056,886	1,514,129	$457,243	43.3%	1,056,886			($457,243)
		Toll-Pac	124,835	124,835			124,835			
		OEAS II	127,154	127,154			127,154			
		OEAS Option 1	299,837	299,837			299,837			
		Total	$179,427,160	$238,608,754	$59,181,594	33.0%	$177,172,004	($2,255,156)	-1.3%	($61,436,750)
33a and 36	A4	Service Connection Charges								
		Nonrecurring	22,217,519	21,992,879	($224,640)	-1.0%	21,992,879	($224,640)	-1.0%	
34b	A11	PBX DID								
		Recurring	1,608,120	1,470,780	($137,340)	-8.5%	1,470,780	($137,340)	-8.5%	
		Nonrecurring	23,475	29,595	$6,120	26.1%	29,595	$6,120	26.1%	
34c and 34d	A12	CO Non-Transport Services								
		Recurring	3,300,208	3,704,181	$403,973	12.2%	3,061,533	($238,675)	-7.2%	($642,648)
		Nonrecurring	166,323	166,323			166,323			
33	A13	Misc. Service Arrangements								
		Recurring								
		TouchTone	11,001,384	11,001,384			11,001,384			
		Other	20,513,144	22,190,750	$1,677,606	8.2%	22,190,750	$1,677,606	8.2%	
		Nonrecurring	182,069	182,069			182,069			
31d	A25	Interconnection of Mobile Services								
		Recurring	3,617,092	3,561,934	($55,158)	-1.5%	3,601,464	($15,628)	-0.4%	$39,530
		Nonrecurring	301,434	301,434			301,434			
33 and 36	A113	Obsolete Services: Miscellaneous Service Arrang.								
		Recurring	30,093	55,563	$25,470	84.6%	55,563	$25,470	84.6%	
		Nonrecurring	1,815	1,815			1,815			
31c	E3	Carrier Common Line								
		Recurring	45,853,984	47,089,056	$1,235,072	2.7%	47,089,056	$1,235,072	2.7%	
31a	E4	BHMOC	20,655,140	12,581,460	($8,073,680)	-39.1%	18,302,023	($2,353,117)	-11.4%	$5,720,563
31c	E6	Switched Access Service								
		Recurring	45,251,580	46,649,159	$1,397,579	3.1%	46,649,159	$1,397,579	3.1%	
		Nonrecurring	143,201	143,201			143,201			
31b and 36	E16	IntraLATA Intercompany MTS and WATS Calls (LEC toll bill & keep)								
		Recurring	7,956,959	7,621,639	($335,320)	-4.2%	7,859,230	($97,729)	-1.2%	$237,591
		REVENUE EFFECT OF CHANGES	$362,250,700	$417,351,976	$55,101,276	15.2%	$361,270,262	($980,438)	-0.3%	($56,081,714)
36		OTHER INTRASTATE REVENUE	$150,884,359	$150,884,359			$150,884,359			
20b and 20b.1		Local Revenue Change In Test Year	(1,639,632)	(1,639,632)			(1,639,632)			
		TOTAL INTRASTATE REVENUE	$511,495,427	$566,596,703			$510,514,989	($980,438)		
		TOTAL INTERSTATE REVENUES	$197,925,668	$197,925,668			$197,925,668			
		TOTAL REVENUE	$709,421,095	$764,522,371	$55,101,276	7.8%	$708,440,657	($980,438)	-0.1%	($56,081,714)

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Attachment II

WITHOUT STIMULATION

United Telephone Company of Florida
Docket No. 910980-TL Test Year 1992 - 93
Revenue Distribution Comparison

Issue	Tariff Section	Service Description	COMPANY PROPOSED: Test Year 1992 - 93 Rev. Current	COMPANY PROPOSED: Proposed	COMPANY PROPOSED: Revenue Effect Amount	COMPANY PROPOSED: Revenue Effect Percent	STAFF RECOMMENDED: 1992 - 93 Revenues: Recommended	STAFF RECOMMENDED: Revenue Effect Amount	STAFF RECOMMENDED: Percent	Revenue Effect: Staff v. Company
36	A2	Return Check Charge	$372,905	$372,905			$372,905			
32a-e and 34a	A3	Local Rates: Recurring								
		Access Lines	$164,033,081	$222,757,432	$58,724,351	35.8%	$164,033,081			($58,724,351)
		Message Rate Plan	4,820,375	4,820,375			4,820,375			
		Directory Assistance	5,734,000	5,734,000			5,734,000			
		Local Operator Assistance	3,230,992	3,230,992			3,230,992			
32a		Clermont EAS Additive					(434,381)			
32b		Toll-Pac EAS Adjustments					(686,830)			
32c		Bonita Springs EAS Additive					(688,800)			
32d		OEAS and Trilacoochee Adjustments					(665,307)			
		EAS Optional	1,056,886	1,514,129	$457,243	43.3%	1,056,886			($457,243)
		Toll-Pac	124,835	124,835			124,835			
		OEAS II	127,154	127,154			127,154			
		OEAS Option 1	299,837	299,837			299,837			
		Total	$179,427,160	$238,608,754	$59,181,594	33.0%	$176,949,842	($2,477,318)	-1.4%	($61,658,912)
33a and 36	A4	Service Connection Charges								
		Nonrecurring	22,217,519	21,992,879	($224,640)	-1.0%	21,992,879	($224,640)	-1.0%	
36	A5	Charges Appl. Under Special Cond.								
		Recurring	2,119,852	2,119,852			2,119,852			
36	A6	Directory Listings								
		Recurring	3,958,161	3,958,161			3,958,161			
		Nonrecurring	74,051	74,051			74,051			
36	A7	Coin Telephone								
		Recurring	7,773,488	7,773,488			7,773,488			
		Nonrecurring	0	0			0			
36	A8	TAS								
		Recurring	90,756	90,756			90,756			
36	A9	Foreign CO Service								
		Recurring	275,855	275,855			275,855			
34b	A11	PBX DID								
		Recurring	1,608,120	1,470,780	($137,340)	-8.5%	1,470,780	($137,340)	-8.5%	
		Nonrecurring	23,475	29,595	$6,120	26.1%	29,595	$6,120	26.1%	
34c and 34d	A12	CO Non-Transport Services								
		Recurring	3,300,208	3,704,181	$403,973	12.2%	3,061,533	($238,675)	-7.2%	[illegible]
		Nonrecurring	166,323	166,323			166,323			
33	A13	Misc. Service Arrangements								
		Recurring								
		TouchTone	11,001,384	11,001,384			11,001,384			
		Other	20,513,144	22,190,750	$1,677,606	8.2%	22,190,750	$1,677,606	8.2%	
		Nonrecurring	182,069	182,069			182,069			
36	A14	Auxiliary Equipment								
		Recurring	98,251	98,251			98,251			
		Nonrecurring	270	270			270			

United Telephone Company of Florida
Docket No. 910980-TL Test Year 1992 - 93
Revenue Distribution Comparison

	Tariff Section	Service Description	COMPANY PROPOSED: Test Year 1992 - 93 Rev. Current	COMPANY PROPOSED: Proposed	COMPANY PROPOSED: Revenue Effect Amount	COMPANY PROPOSED: Revenue Effect Percent	STAFF RECOMMENDED: 1992 - 93 Revenues: Recommended	STAFF RECOMMENDED: Revenue Effect Amount	STAFF RECOMMENDED: Percent	Revenue Effect: Staff v. Company
36	A15	Trouble Location Charge	452,380	452,380			452,380			
36	A17	Mobile Telephone								
		Recurring	0	0			0			
36	A18	MTS								
		Recurring	55,041,780	55,041,780			55,041,780			
36	A19	WATS/800								
		Recurring	1,989,724	1,989,724			1,989,724			
36	A20	Private Line								
		Recurring								
		Local	3,540,160	3,540,160			3,540,160			
		Interexchange	12,884,243	12,884,243			12,884,243			
		Nonrecurring	24,660	24,660			24,660			
36	A24	E911								
		Recurring	1,664,040	1,664,040			1,664,040			
		Nonrecurring	228,133	228,133			228,133			
31d	A25	Interconnection of Mobile Services								
		Recurring	3,617,092	3,561,934	($55,158)	-1.5%	3,601,464	($15,628)	-0.4%	$39,530
		Nonrecurring	301,434	301,434			301,434			
36	A29	Data Transport Service								
		Recurring	79,913	79,913			79,913			
		Nonrecurring	2,150	2,150			2,150			
36	A108	Obsolete Services: TAS Facilities								
		Recurring	2,937	2,937			2,937			
33 and 36	A113	Obsolete Services: Miscellaneous Service Arrang.								
		Recurring	30,093	55,563	$25,470	84.6%	55,563	$25,470	84.6%	
		Nonrecurring	1,815	1,815			1,815			
36	A114	Obsolete Services: Auxiliary Equipment								
		Recurring	631	631			631			
36	A124	Obsolete Services: E911 - Recurring	191,450	191,450			191,450			
36	E2	IntraEAEA Compensation								
		Recurring	0	0			0			
		Late Payment Charges								
		Nonrecurring	78,258	78,258			78,258			
31c	E3	Carrier Common Line								
		Recurring	45,853,984	47,089,056	$1,235,072	2.7%	47,089,056	$1,235,072	2.7%	
31a	E4	BHMOC	20,655,140	12,581,460	($8,073,680)	-39.1%	18,302,023	($2,353,117)	-11.4%	[illegible]

United Telephone Company of Florida
Docket No. 910980-TL Test Year 1992 - 93
Revenue Distribution Comparison

	Tariff Section	Service Description	COMPANY PROPOSED: Test Year 1992 -93 Rev. Current	Proposed	Revenue Effect Amount	Percent	STAFF RECOMMENDED: 1992 - 93 Revenues: Recommended	Revenue Effect Amount	Percent	Revenue Effect Staff v Company
31c	E5	Switched Access Service Recurring	45,251,580	46,649,159	$1,397,579	3.1%	46,649,159	$1,397,579	3.1%	
		Nonrecurring	143,201	143,201			143,201			
36	E7	Special Access Service Recurring	6,063,502	6,063,502			6,063,502			
		Nonrecurring	366,179	366,179			366,179			
36	E8	Billing and Collection Services Recurring	3,837,612	3,837,612			3,837,612			
36	E9	Directory Assistance Service Recurring	0	0			0			
36	E11	Special Facilities Routing of Access Services	0	0			0			
36	E12	Specialized Services or Arrangements	0	0			0			
36	E13	Additional Engineering, Additional Labor and Miscellaneous Charges Nonrecurring	0	0			0			
36	E15	Inward Operator Services Recurring	58,977	58,977			58,977			
31b and 36	E16	IntraLATA Intercompany MTS and WATS Calls (LEC toll bill & keep) Recurring	7,956,959	7,621,639	($335,320)	-4.2%	7,859,230	($97,729)	-1.2%	$237,591
		New services to be tariffed:	213,312	213,312			213,312			
		Misc. nontariffed Intrastate revenues:	49,400,749	49,400,749			49,400,749			
20b and 20b.1		Test Year Revenue Change	(1,639,632)	(1,639,632)			(1,639,632)			
		TOTAL INTRASTATE REVENUES	$511,495,427	$566,596,703	$55,101,276	10.8%	$510,292,627	($1,202,800)	-0.2%	[illegible]
		Interstate revenues	197,925,668	197,925,668			197,925,668			
UTF3.WK		TOTAL REVENUES	$709,421,095	$764,522,371	$55,101,276	7.8%	$708,218,495	($1,202,800)	-0.2%	[illegible]

WITH STIPULATION

United Telephone Company of Florida
Docket No. 910980-TL Test Year 1992 – 93
Revenue Distribution Comparison

Issue	Tariff Section	Service Description	COMPANY PROPOSED: Test Year 1992 – 93 Rev. Current	COMPANY PROPOSED: Proposed	COMPANY PROPOSED: Revenue Effect Amount	COMPANY PROPOSED: Revenue Effect Percent	STAFF RECOMMENDED: 1992 – 93 Revenues: Recommended	STAFF RECOMMENDED: Revenue Effect Amount	STAFF RECOMMENDED: Percent	Revenue Effect: Staff v. Company
36	A2	Return Check Charge	$372,905	$372,905			$372,905			
32a – e and 34a	A3	Local Rates: Recurring								
		Access Lines	$164,033,081	$222,757,432	$58,724,351	35.8%	$164,033,081			($58,724,351)
		Message Rate Plan	4,820,375	4,820,375			4,820,375			
		Directory Assistance	5,734,000	5,734,000			5,734,000			
		Local Operator Assistance	3,230,992	3,230,992			3,230,992			
32a		Clermont EAS Additive					(434,381)			
32b		Toll-Pac EAS Adjustments					(545,323)			
32c		Bonita Springs EAS Additive					(888,800)			
32d		OEAS and Trilacoochee Adjustments					(586,852)			
		EAS Optional	1,058,886	1,514,129	$457,243	43.3%	1,058,886			($457,243)
		Toll-Pac	124,835	124,835			124,835			
		OEAS II	127,154	127,154			127,154			
		OEAS Option 1	299,837	299,837			299,837			
		Total	$179,427,160	$238,608,754	$59,181,594	33.0%	$177,172,004	($2,255,156)	– 1.3%	($61,436,750)
33a and 36	A4	Service Connection Charges Nonrecurring	22,217,519	21,992,879	($224,640)	– 1.0%	21,992,879	($224,640)	– 1.0%	
36	A5	Charges Appl. Under Special Cond. Recurring	2,119,852	2,119,852			2,119,852			
36	A6	Directory Listings								
		Recurring	3,958,161	3,958,161			3,958,161			
		Nonrecurring	74,051	74,051			74,051			
36	A7	Coin Telephone								
		Recurring	7,773,488	7,773,488			7,773,488			
		Nonrecurring	0	0			0			
36	A8	TAS Recurring	90,756	90,756			90,756			
36	A9	Foreign CO Service Recurring	275,855	275,855			275,855			
34b	A11	PBX DID								
		Recurring	1,608,120	1,470,780	($137,340)	– 8.5%	1,470,780	($137,340)	– 8.5%	
		Nonrecurring	23,475	29,595	$6,120	26.1%	29,595	$6,120	26.1%	
34c and 34d	A12	CO Non-Transport Services								
		Recurring	3,300,208	3,704,181	$403,973	12.2%	3,061,533	($238,675)	– 7.2%	[illegible]
		Nonrecurring	166,323	166,323			166,323			
33	A13	Misc. Service Arrangements								
		Recurring								
		TouchTone	11,001,384	11,001,384			11,001,384			
		Other	20,513,144	22,190,750	$1,677,606	8.2%	22,190,750	$1,677,606	8.2%	
		Nonrecurring	182,069	182,069			182,069			
36	A14	Auxiliary Equipment								
		Recurring	98,251	98,251			98,251			
		Nonrecurring	270	270			270			

United Telephone Company of Florida
Docket No. 910980-TL Test Year 1992 - 93
Revenue Distribution Comparison

	Tariff Section	Service Description	COMPANY PROPOSED: Test Year 1992-93 Rev Current	COMPANY PROPOSED: Proposed	COMPANY PROPOSED: Revenue Effect Amount	COMPANY PROPOSED: Revenue Effect Percent	STAFF RECOMMENDED: 1992 - 93 Revenues Recommended	STAFF RECOMMENDED: Revenue Effect Amount	STAFF RECOMMENDED: Percent	Revenue Effect: Staff v. Company
36	A15	Trouble Location Charge	452,360	452,360			452,360			
36	A17	Mobile Telephone								
		Recurring	0	0			0			
36	A18	WTS								
		Recurring	55,041,780	55,041,780			55,041,780			
36	A19	WATS/800								
		Recurring	1,989,724	1,989,724			1,989,724			
36	A20	Private Line								
		Recurring								
		Local	3,540,160	3,540,160			3,540,160			
		Interexchange	12,084,243	12,084,243			12,084,243			
		Nonrecurring	24,660	24,660			24,660			
36	A24	E911								
		Recurring	1,664,040	1,664,040			1,664,040			
		Nonrecurring	228,133	228,133			228,133			
31d	A25	Interconnection of Mobile Services								
		Recurring	3,617,092	3,561,934	($55,158)	-1.5%	3,601,464	($15,628)	-0.4%	$39,530
		Nonrecurring	301,434	301,434			301,434			
36	A29	Data Transport Service								
		Recurring	79,913	79,913			79,913			
		Nonrecurring	2,150	2,150			2,150			
36	A108	Obsolete Services: TAS Facilities								
		Recurring	2,937	2,937			2,937			
33 and 36	A113	Obsolete Services: Miscellaneous Service Arrang.								
		Recurring	30,093	55,563	$25,470	84.6%	55,563	$25,470	84.6%	
		Nonrecurring	1,815	1,815			1,815			
36	A114	Obsolete Services: Auxiliary Equipment								
		Recurring	631	631			631			
36	A124	Obsolete Services: E911 - Recurring	191,450	191,450			191,450			
36	E2	IntraEAEA Compensation								
		Recurring	0	0			0			
		Late Payment Charges								
		Nonrecurring	78,258	78,258			78,258			
31c	E3	Carrier Common Line								
		Recurring	45,853,984	47,089,056	$1,235,072	2.7%	47,089,056	$1,235,072	2.7%	
31a	E4	BHMOC	20,655,140	12,581,460	($8,073,680)	-39.1%	18,302,023	($2,353,117)	-11.4%	$5,720,563

United Telephone Company of Florida
Docket No. 910980-TL Test Year 1992 - 93
Revenue Distribution Comparison

	Tariff Section	Service Description	COMPANY PROPOSED: Test Year 1992 -93 Rev. Current	COMPANY PROPOSED: Proposed	COMPANY PROPOSED: Revenue Effect Amount	COMPANY PROPOSED: Revenue Effect Percent	STAFF RECOMMENDED: 1992 - 93 Revenues: Recommended	STAFF RECOMMENDED: Revenue Effect Amount	STAFF RECOMMENDED: Percent	Revenue Effect: Staff v. Company
31c	E6	Switched Access Service								
		Recurring	45,251,580	46,649,159	$1,397,579	3.1%	46,649,159	$1,397,579	3.1%	
		Nonrecurring	143,201	143,201			143,201			
36	E7	Special Access Service								
		Recurring	6,063,502	6,063,502			6,063,502			
		Nonrecurring	366,179	366,179			366,179			
36	E8	Billing and Collection Services								
		Recurring	3,837,612	3,837,612			3,837,612			
36	E9	Directory Assistance Service Recurring	0	0			0			
36	E11	Special Facilities Routing of Access Services	0	0			0			
36	E12	Specialized Services or Arrangements	0	0			0			
36	E13	Additional Engineering, Additional Labor and Miscellaneous Charges Nonrecurring	0	0			0			
36	E15	Inward Operator Services Recurring	58,977	58,977			58,977			
31b and 36	E16	IntraLATA Intercompany MTS and WATS Calls (LEC toll bill & keep) Recurring	7,956,959	7,621,639	($335,320)	-4.2%	7,859,230	($97,729)	-1.2%	[illegible]
		New services to be tariffed:	213,312	213,312			213,312			
		Misc. nontariffed intrastate revenues:	49,400,749	49,400,749			49,400,749			
20b and 20b.1		Test Year Revenue Change	(1,639,632)	(1,639,632)			(1,639,632)			
		TOTAL INTRASTATE REVENUES	$511,495,427	$566,596,703	$55,101,276	10.8%	$510,514,989	($980,438)	-0.2%	[illegible]
		Interstate revenues	197,925,668	197,925,668			197,925,668			
UTF2.WK		TOTAL REVENUES	$709,421,095	$764,522,371	$55,101,276	7.8%	$708,440,657	($980,438)	-0.1%	[illegible]

United Telephone Company
Docket No. 910980-TL

BHMOC

	Billing Units	Current Rate	Current Revenue
Premium	367,166	$3.95	$17,403,668
Non Premium	105,533	$2.5675	$3,251,472
Total			$20,655,140

Company BHMOC Proposal

	Billing Units	Proposed Rate	Proposed Revenue	Revenue Reduction
Premium	367,166	$2.4060	$10,600,817	$6,802,852
Non Premium	105,533	$1.5640	$1,980,643	$1,270,828
Total			$12,581,460	$8,073,680

BHMOC Options

Billing Units	Rate Reduction	New Rate		New Revenue	Revenue Reduction
367,166	$0.10	$3.8500		$16,963,069	$440,599
105,533		$2.4675		$3,124,832	$126,640
			Total	$20,087,901	$567,239
367,166	$0.25	$3.7000		$16,302,170	$1,101,498
105,533		$2.3175		$2,934,873	$316,599
			Total	$19,237,043	$1,418,097
367,166	$0.45	$3.5000		$15,420,972	$1,982,696
105,533		$2.1175		$2,681,594	$569,878
			Total	$18,102,566	$2,552,575
367,166	$0.70	$3.2500		$14,319,474	$3,084,194
105,533		$1.8675		$2,364,995	$886,477
			Total	$16,684,469	$3,970,672
367,166	$0.95	$3.0000		$13,217,976	$4,185,692
105,533		$1.6175		$2,048,396	$1,203,076
			Total	$15,266,372	$5,388,769
[illegible]	$1.00	$2.9500		$12,997,676	$4,405,992
		$1.5675		$1,985,076	$1,266,396
			Total	$14,982,752	$5,672,388

BHMOC and Cellular Interconnection Rates will also be reduced.

United Telephone Company
Docket No. 910980-TL
Service - Touchtone

Current Rate	Current Revenue
$1.00	$11,001,384

Billing Units	Rate Reduction	New Rate	New Revenue	Revenue Reduction
916,782	$0.10	$0.90	$9,901,246	$1,100,138
916,782	$0.25	$0.75	$8,251,038	$2,750,346
916,782	$0.50	$0.50	$5,500,692	$5,500,692
916,782	$0.60	$0.40	$4,400,554	$6,600,830
916,782	$0.75	$0.25	$2,750,346	$8,251,038

Issue	Tariff Section	Service Description	COMPANY PROPOSED: Test Year 1992 - 93 Rev Current	Proposed	Revenue Effect Amount	Percent	STAFF RECOMMENDED: 1992 - 93 Revenue Recommended	Revenue Effect Amount	Percent	Revenue Effect Staff v. Company
32a-e and 34a	A3	Local Rates: Recurring								
		Access Lines	$164,033,081	$222,757,432	$58,724,351	35.8%	$164,033,081			($58,724,351)
		Message Rate Plan	4,820,375	4,820,375			4,820,375			
		Directory Assistance	5,734,000	5,734,000			5,734,000			
		Local Operator Assistance	3,230,982	3,230,982			3,230,982			
32a		Clermont EAS Additive					0			
32b		Toll-Pac EAS Adjustments					([illegible])			
32c		Bonita Springs EAS Additive					0			
32d		OEAS and 1 Reclassification Adjustments					([illegible])			
		EAS Optional	1,056,886	1,514,129	$457,243	43.3%	1,056,886			($457,243)
		Toll-Pac	124,835	124,835			124,835			
		OEAS II	127,154	127,154			127,154			
		OEAS Option 1	298,837	298,837			298,837			
		Total	$179,427,340	$238,608,754	$59,181,594	33.0%	$178,093,171	($1,333,989)	-0.7%	($60,515,583)
32e and 35	A4	Service Connection Charges								
		Nonrecurring	22,217,519	21,992,879	($224,640)	-1.0%	21,992,879	($224,640)	-1.0%	
34b	A11	PBX DID								
		Recurring	1,608,120	1,470,780	($137,340)	-8.5%	1,470,780	($137,340)	-8.5%	
		Nonrecurring	23,475	29,595	$6,120	26.1%	29,595	$6,120	26.1%	
34c and 34d	A12	CO Non-Transport Services								
		Recurring	3,300,208	3,704,181	$403,973	12.2%	3,061,533	($238,675)	-7.2%	($642,648)
		Nonrecurring	168,323	168,323			168,323			
35	A13	Misc. Service Arrangements								
		Recurring								
		TouchTone	11,001,384	11,001,384			11,001,384			
		Other	20,513,144	22,190,750	$1,677,606	8.2%	22,190,750	$1,677,606	8.2%	
		Nonrecurring	182,089	182,089			182,089			
31d	A25	Interconnection of Mobile Services								
		Recurring	3,617,092	3,561,934	($55,158)	-1.5%	3,601,464	($15,628)	-0.4%	$39,530
		Nonrecurring	301,434	301,434			301,434			
33 and 36	A113	Obsolete Services: Miscellaneous Service Arrang.								
		Recurring	30,093	55,563	$25,470	84.6%	55,563	$25,470	84.6%	
		Nonrecurring	1,815	1,815			1,815			
31c	E3	Carrier Common Line								
		Recurring	45,853,984	47,089,056	$1,235,072	2.7%	47,089,056	$1,235,072	2.7%	
31a	E4	BHMOC	20,655,140	12,581,460	($8,073,680)	-39.1%	18,302,023	($2,353,117)	-11.4%	$5,720,563
31c	E6	Switched Access Service								
		Recurring	45,251,580	46,649,159	$1,397,579	3.1%	46,649,159	$1,397,579	3.1%	
		Nonrecurring	143,201	143,201			143,201			
31b and 36	E16	IntraLATA Intercompany MTS and WATS Calls (LEC toll bill & keep)								
		Recurring	7,956,959	7,621,639	($335,320)	-4.2%	7,859,230	($97,729)	-1.2%	$237,591
		REVENUE EFFECT OF CHANGES	$362,250,700	$417,351,976	$55,101,276	15.2%	$362,191,429	($59,271)	-0.0%	($55,160,547)
36		OTHER INTRASTATE REVENUE	$150,884,359	$150,884,359			$150,884,359			
20b and 20b.1		Local Revenue Change In Test Year	(1,639,632)	(1,639,632)			(1,639,632)			
		TOTAL INTRASTATE REVENUE	$511,495,427	$566,596,703			$511,436,156	($59,271)		
		TOTAL INTERSTATE REVENUES	$197,925,668	$197,925,668			$197,925,668			
		TOTAL REVENUE	$709,421,095	$764,522,371	$55,101,276	7.8%	$709,361,824	($59,271)	-0.0%	($55,160,547)
							EXCESS REVENUES	$1,005,729		

UNITED6.WK

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Executive Summary
Attachment G

IntraLATA Toll-Pac Routes Greater Than 4 MMMs

Issue 32b

Excluding Stimulation

(a) Originating Exchange	(b) Terminating Exchange	(c) Type of Traffic	(d) Access Lines Y-E 1991	(e) Access Lines Y-E 1992	(f) Old Avg. Rev/Msg	(g) Average Operator Charge Per MTS Msg.	(h) New rate/Msg.	(i) 12/91 Msgs/Line	(j) Average TY Msgs.	(k) Average TY Revenue Old	(l) Average TY Revenue New	(m) Difference
Moorehaven	Clewiston	MTS	1,931	1,204		$0.082		6.53	7,862	$645	$0	($645)
		All	1,931	1,204	$0.64		$0.25	6.56	7,898	5,055	$1,975	(3,080)
Cape Haze	Port Charlotte	MTS	7,802	8,456		$0.082		3.63	30,695	2,517	0	(2,517)
		All	7,802	8,456	$0.54		$0.25	4.15	35,092	18,950	8,773	(10,177)
Williston	Gainesville	MTS	4,207	4,380		$0.082		6.61	28,952	2,374	0	(2,374)
		All	4,207	4,380	$0.57		$0.25	8.85	38,763	22,095	9,691	(12,404)

Total, One Way	
Per Month	($31,197)
Annual	($374,364)
Total, Both Directions	($688,830)

Issue 32b
Attachment A
Page 1 of 1

DN 910980-TL

IntraLATA Toll-Pac Routes Greater Than 4 MMMs

Issue 32b

Including Stimulation

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
Originating Exchange	Terminating Exchange	Type of Traffic	Access Lines Y-E 1991	Y-E 1992	Old Avg. Rev/Msg	Average Operator Charge Per MTS Msg.	New rate/Msg.	12/91 Msgs/Line	Average TY Msgs.	Average TY Revenue Old	New (1)	Difference
Moorehaven	Clewiston	MTS	1,931	1,204		$0.082		6.53	7,862	$645	$0	($645)
		All	1,931	1,204	$0.64		$0.25	6.56	7,898	5,055	2,602	(2,452)
Cape Haze	Port Charlotte	MTS	7,802	8,456		$0.082		3.63	30,695	2,517	0	(2,517)
		All	7,802	8,456	$0.54		$0.25	4.15	35,092	18,950	11,563	(7,387)
Williston	Gainesville	MTS	4,207	4,380		$0.082		6.61	28,952	2,374	0	(2,374)
		All	4,207	4,380	$0.57		$0.25	8.85	38,763	22,095	12,772	(9,323)
										Total, One Way		
										Per Month		($24,698)
										Annual		($296,371)
										Total, Both Directions		($545,329)

(1) Including stimulation of 31.8%.

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Other IntraLATA Toll Routes Greater Than 4 MMMs

Issue 32d

Excluding Stimulation

(a) Originating Exchange	(b) Terminating Exchange	(c) Type of Traffic	(d) Access Lines Y-E 1991	(e) Access Lines Y-E 1992	(f) Old Avg. Rev/Msg	(g) Average Operator Charge Per MTS Msg.	(h) New rate/Msg.	(i) 12/91 Msgs/Line	(j) Average TY Msgs.	(k) Average TY Revenue Old	(l) Average TY Revenue New	(m) Difference
Everglades	Naples	MTS	1,127	1,092		$0.082		7.64	8,343	$684	$0	($684)
		All	1,127	1,092	$0.78		$0.25	7.64	8,343	6,507	$2,086	(4,422)
Immokalee	Fort Myers	MTS	5,048	3,676		$0.082		4.92	18,086	1,483	0	(1,483)
		All	5,048	3,676	$0.77		$0.25	4.92	18,086	13,926	4,521	(9,405)
Immokalee	Naples	MTS	5,048	3,676		$0.082		5.00	18,380	1,507	0	(1,507)
		All	5,048	3,676	$0.82		$0.25	5.00	18,380	15,072	4,595	(10,477)
										Total, One Way		
										Per Month		($27,977)
										Annual		($335,726)
										Total, Both Directions		($617,739)

Other IntraLATA Toll Routes Greater Than 4 MMMs

Issue 32d

Including Stimulation

(a) Originating Exchange	(b) Terminating Exchange	(c) Type of Traffic	(d) Access Lines Y-E 1991	(e) Access Lines Y-E 1992	(f) Old Avg. Rev/Msg	(g) Average Operator Charge Per MTS Msg.	(h) New rate/Msg.	(i) 12/91 Msgs/Line	(j) Average TY Msgs.	(k) Average TY Revenue Old	(l) Average TY Revenue New (1)	(m) Difference
Everglades	Naples	MTS	1,127	1,092		$0.082		7.64	8,343	$684	$0	($684)
		All	1,127	1,092	$0.78		$0.25	7.64	8,343	6,507	2,749	(3,758)
Immokalee	Fort Myers	MTS	5,048	3,676		$0.082		4.92	18,086	1,483	0	(1,483)
		All	5,048	3,676	$0.77		$0.25	4.92	18,086	13,926	5,959	(7,967)
Immokalee	Naples	MTS	5,048	3,676		$0.082		5.00	18,380	1,507	0	(1,507)
		All	5,048	3,676	$0.82		$0.25	5.00	18,380	15,072	6,056	(9,015)

Total, One Way	
Per Month	($24,415)
Annual	($292,980)
Total, Both Directions	($539,084)

(1) Including stimulation of 31.8%.

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Issue 32d
Attachment A
Page 2 of 2

T-92-220

United Telephone System

United Telephone Company of Florida
Box 5000 • Altamonte Springs, Florida 32716-5000 • (407) 889-6007

Bruce H. Reynolds
Vice President - Administration & Marketing

March 24, 1992

Mr. Walter D'Haeseleer
Director, Division of Communications
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32399-0865

RECEIVED
MAR 24 1992
DIVISION OF COMMUNICATIONS

Dear Mr. D'Haeseleer:

Enclosed are four copies of the following United Telephone Company of Florida General Exchange Tariff sheet:

Section A13

Miscellaneous Service Arrangements   Fourth Rev. Sheet 11

United is filing this tariff to revise the regulations associated with United SignalRing[sm] service.

Paragraph F.2.a. of the enclosed tariff restricts the SignalRing offering to areas served by DMS-100 and 5ESS central office switches. When SignalRing was tariffed in December of 1990, only those switches contained the software necessary to provide SignalRing. The Alcatel DSS-1210 switches did not, and were not expected to, have the capability to provide SignalRing.

Recently, however, the 1210 switch manufacturer, Alcatel, developed and began offering the GSM-303 software that supports United's SignalRing product. This tariff will, upon approval, permit United to expand SignalRing into fifteen of its 1210 central office serving areas where it was previously not available.

In conjunction with this tariff revision, United proposes to maintain the "grandfathered" status of customers in the specified 1210 switch serving areas who currently subscribe to SINA (Special Identity Number Arrangement). SINA service was made obsolete in June 1990 in anticipation of the approval of SignalRing in the DMS-100 and 5ESS switches. The enclosed correspondence of May 15, 1990 explains United's plan to make SignalRing available while continuing to support SINA on a limited basis.

T-92-290

Mr. Walter D'Haeseleer
March 24, 1992
Page 2

As stated in the correspondence, SINA is technically not available in the DMS-100 and 5ESS switches. Such is not the case in the 1210 switches, however. SINA, provisioned by a line card, can co-exist with SignalRing which is a software option. Therefore, customers in the fifteen 1210 switch service areas could have what appears to be "like" services at disparate rates. To amend this disparity and encourage migration to SignalRing, United proposes to increase the SINA monthly recurring rate to $2 in a separate filing. The rate proposed for residential SignalRing in United's rate case is $3 per month. There are currently 2,574 remaining SINA subscribers compared to the 5,219 in existence in May 1990.

Acknowledgement, date of receipt, and authority number of this filing are requested. A duplicate letter of transmittal is attached for this purpose.

Commission consideration and approval of the enclosed sheet is respectfully requested.

Sincerely,

B. H. Reynolds

SAH/ab

Enclosure