

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: CENTRAL TELEPHONE COMPANY OF )  
 FLORIDA - 1988 Depreciation Study )  
 \_\_\_\_\_ )

DOCKET NO. 881543-TL  
 ORDER NO: 20569  
 ISSUED: 1-9-89

The following Commissioners participated in the disposition of this matter:

MICHAEL McK. WILSON, Chairman  
 THOMAS M. BEARD  
 GERALD L. GUNTER  
 JOHN T. HERNDON

ORDER DENYING PRELIMINARY IMPLEMENTATION REQUEST

BY THE COMMISSION:

On November 28, 1988, Central Telephone Company of Florida (Centel) filed its triennial depreciation study (the Study) pursuant to Rule 25-4.0175, Florida Administrative Code (the Rule). Section (5) of the Rule permits the company, upon Commission approval, to implement its proposed rates on a preliminary basis subject to adjustment when final rates are prescribed. Centel seeks to implement the proposed rates on January 1, 1989, under this rule section. Additionally, the Study proposes a reserve transfer from the company's Electromechanical Switching Account to its Digital Toll Board Account.

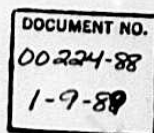
Upon review, we deny the request to implement the proposed rates and the reserve transfer on January 1, 1989. Following a preliminary review of the Study, our Staff has become concerned over several areas of rate development. If these concerns lead to changes in the proposed rates, the adjustments could materially affect the final rates prescribed after a full review of the Study. Our intent when we approve preliminary action is for a company to record expenses that will be closer to those ultimately approved than those currently prescribed. Since we have no indication here that this goal would be realized, we cannot approve Centel's preliminary implementation of the proposed rates.

Our Staff has also been unable to verify, based on its preliminary review of the Study, the existence or size of an electromechanical switching reserve surplus or the size of a digital toll board reserve deficit. As a result of the current lack of reasonable identification and quantification of reserve disparities, we are unable to approve the proposed January 1, 1989 transfer of reserves between these accounts.

Accordingly, we reserve judgment on the Study's proposed rates and reserve transfer until a full review can be completed.

In consideration of the foregoing, it is

ORDERED by the Florida Public Service Commission that the request of Central Telephone Company of Florida to implement proposed depreciation rates and a proposed reserve transfer on January 1, 1989, is hereby denied. It is further



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ORDERED that this docket shall remain open for further proceedings.

By ORDER of the Florida Public Service Commission,  
this 9th day of JANUARY, 1989.

  
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STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

DOCUMENT NUMBER-DATE

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