

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: General investigation into what ) DOCKET NO. 890177-TL  
 return on equity cap should be applied ) ORDER NO. 20923  
 for SOUTHLAND TELEPHONE COMPANY for 1989 ) ISSUED: 3-22-89

The following Commissioners participated in the disposition of this matter:

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

ORDER ENDING INVESTIGATION AND CLOSING DOCKET

BY THE COMMISSION:

Southland Telephone Company's (Southland's) last authorized return on equity (ROE) was set at 15.5%  $\pm$  .5% in Docket No. 820352-TP. We initiated the instant proceeding to investigate whether the Commission should change Southland's authorized return on equity from 15.5%  $\pm$  .5% to 13.8%  $\pm$  1.0% and whether the Company's 1989's earnings should be capped at 14.8% return on equity. By Order No. 18957, issued in Docket No. 880009-TL, Southland's request to detariff intrastate billing and collection service charges was approved by the Commission. However, we approved that tariff subject to a temporary ROE of 13.8%  $\pm$  1.0% with a cap on earnings for 1988 of 14.8% ROE pending the conclusion of our generic investigation into detariffing LEC billing and collection services. The temporary ROE and earnings cap were set on February 16, 1988.

Southland's September 1988 surveillance report indicates a -4.22% achieved ROE for Florida Intrastate operations. The Company also faces the potential loss of significant revenues if a pending request for county-wide Extended Area Service in Escambia County is approved.

In view of the current earnings situation of Southland, it does not appear that an earnings cap is needed. Also, the company's authorized ROE is being addressed in Docket No. 880009-TL. Accordingly, we find it appropriate to terminate this investigation and to close this docket.

Based on the foregoing it is

ORDERED by the Florida Public Service Commission that the Commission's investigation in this Docket is terminated. It is further

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ORDERED that this docket be and the same is hereby closed.

By ORDER of the Florida Public Service Commission,  
this 22nd day of MARCH, 1989.

  
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STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

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