

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of GTE FLORIDA, INC.'S)	DOCKET NO. 890298-TL
and ST. JOSEPH TELEPHONE AND TELEGRAPH)	
COMPANY'S compliance with SOUTHERN BELL)	ORDER NO. 21404
TELEPHONE AND TELEGRAPH COMPANY'S)	
application of the Late Payment Charge)	ISSUED: 6-19-89

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 RESOLVING TARIFF INVESTIGATION

BY THE COMMISSION:

By Order No. 17915 in Docket No. 870456-TL we authorized Southern Bell Telephone and Telegraph Company to impose a late payment charge (LPC) on its customer's bills and extended its availability to other local exchange companies (LECs). Order No. 17915 established five criteria which LECs must meet before utilizing the LPC. One criteria required that petitioning companies must "implement the LPC as does Southern Bell or adequately justify differing treatment." The two essential components of the LPC are how the charge is applied and when the charge appears on the customer's bill. Under Southern Bell's LPC, the charge was imposed on the next month's bill following the customer's late payment.

On February 23, 1987, St. Joseph Telephone and Telegraph Company (St. Joe) filed a tariff proposal to implement the LPC in its territory. The Commission approved St. Joe's tariff proposal in Order No. 18208. On January 6, 1988, GTE Florida, Inc. (GTEFL) filed a proposed tariff revision to establish the LPC in its territory. We approved GTEFL's tariff proposal in Order No. 19173. We approved their proposals with the understanding that both St. Joe and GTEFL would implement the LPC consistent with Southern Bell's.

On October 6, 1988, Northeast Telephone Company (Northeast) filed a tariff proposal to implement the LPC in its territory. Northeast's tariff proposal was initially suspended and again brought before the Commission at the January 3, 1989 Agenda Conference. During our discussion, we learned that both St. Joe and GTEFL were skipping a month before placing the LPC on customer's bills. Therefore, it appeared that St. Joe and GTEFL were not complying with the original intent of Order No. 17915 because the LPC did not appear on the next month's bill. As a result, we directed our Staff to review both St. Joe's and GTEFL's LPC tariffs to determine whether they had complied with Order No. 17915.

Based on our review of the investigation, it appears that both GTEFL's and St. Joe's LPC tariffs are not strictly consistent with Southern Bell's LPC. However, as discussed below, we find that both St. Joe and GTEFL should be allowed to

DOCUMENT NUMBER-DATE

06040 JUN 19 1989

FPSC-RECORDS/REPORTING

DOCKET NO. 890298-TL
ORDER NO. 21404
Page 2

continue skipping a month before placing the LPC on customers' bills. When GTE and St. Joe implemented their respective LPCs, it appears that both companies reasonably believed Southern Bell applied the LPC on a one month deferred basis because of certain exhibits which Southern Bell included in its 1987 filing for permanent LPC tariff. Consequently, it does not appear that there were any intentional differences in the LPC tariffs.

Although neither St. Joe nor GTEFL strictly followed the intent of the original Southern Bell order, we find it appropriate that both companies be allowed to continue their LPC billing methods. In reaching our decision, we are persuaded for reasons. First, the intent of the LPC is to place the cost of processing late payments on the cost-causer rather than the general body of the ratepayers; St. Joe's and GTEFL's current billing systems accomplish this. Second, the cost of changing each company's current billing system would be born by the general body of ratepayers and not be the cost-causers. Finally, because there have been very few customers complaints, skipping a month did not create the customer confusion that we believed it would.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that St. Joseph Telephone and Telegraph Company's and GTE Florida, Inc.'s respective Late Payment Charge tariffs may be retained as set forth in the body of this Order. It is further

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

By ORDER of the Florida Public Service Commission,
this 19th day of JUNE, 1989.



STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

TH