

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: PETITION OF GTEFL INCORPORATED	)	DOCKET NO. 881344-TL
REQUESTING A REDUCTION TO THE BHMOC RATE	)	
ELEMENT PURSUANT TO THE CRITERIA	)	
ESTABLISHED IN DOCKET NO. 860984-TP	)	
	)	ORDER NO. 21520
	)	ISSUED: 7-7-89

The following Commissioners participated in the disposition of this matter:

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

ORDER APPROVING TARIFF FILING

## BY THE COMMISSION:

On October 14, 1988 GTEFL filed a petition asking this Commission to allow GTEFL to voluntarily reduce its BHMOC rate by 25% and to increase its operator assisted calls and verification and emergency interrupt service. These changes were expected to result in a \$9,885,500 annual reduction in access charges, and a \$1,300,000 annual increase in operator assistance charges, for an overall annual reduction of \$8,585,500. By Order No. 19677, we granted GTEFL's petition.

The Office of Public Counsel (Public Counsel) filed a motion asking us to reconsider our decision to not include stimulation in the BHMOC reduction and to allow GTEFL to increase its local operator assistance surcharge rates and verification and emergency interrupt charges. Oral argument on Public Counsel's motion for reconsideration was held April 26, 1989.

When we considered the petition at our agenda conference on December 6, 1988, the Office of Public Counsel still had outstanding a motion to compel GTEFL to provide information relevant to the petition. We approved the petition as proposed in order to pass on the requested access charge reduction to consumers as soon as possible. Public Counsel had requested information from GTEFL on its earnings and GTEFL protested. Since then Public Counsel has received the information. At

DOCUMENT NUMBER-DATE

06670 JUL -7 1989

FPSC-RECORDS/REPORTING

ORDER NO. 21520  
DOCKET NO. 881344-TL  
PAGE 2

oral argument Public Counsel confirmed that it had received all the information requested. During the oral argument Public Counsel also asked for an informal hearing to allow it to present evidence why GTEFL should not have been allowed to increase its local operator assistance surcharges and verification and emergency interrupt charges without a corresponding rate offset somewhere else.

Public Counsel's basic position is that we should not allow any revenue offsets (increases) unless a company is earning below its authorized range. This view is inconsistent with our current practice of allowing some increases as long as a Company is within its authorized range. We note that Public Counsel raises no question as to the propriety of the increased operator assistance charges. It does not argue that these increased charges are unjust, unreasonable or otherwise inappropriate. More significantly, because of the BHMOC reduction, GTEFL experienced a net overall revenue reduction. The revenue increase from operator services was more than offset by the BHMOC revenue reductions. As a result, Public Counsel cannot justify any earnings based concerns regarding the operator services rate increases. Since Public Counsel has raised no other concerns regarding these increases, we affirm our previous position as set forth in Order No. 19677 and deny Public Counsel's Motion for Reconsideration on this point.

With respect to the inclusion of stimulation in the BHMOC reduction, Public Counsel argues that Order No. 19677, which approved voluntary BHMOC reductions by the LECs, states that stimulation be included unless the company could show good cause why it should not be. We believe Public Counsel mischaracterizes the Order. The Order states:

Upon consideration, we believe it appropriate to require the LECs to consider stimulation in access reductions. However, we also recognize the difficulty involved in determining the precise amount of stimulation and acknowledge that in some cases no stimulation results. Accordingly, we find it appropriate to require each LEC to include in its petition for an access reduction a stimulation estimate or a statement as to why one is not provided. We will more closely consider stimulation in the context of each LEC's request for an access reduction." (Order No. 19677 page 21).

ORDER NO. 21520  
DOCKET NO. 881344-TL  
PAGE 3

GTEFL did not provide a stimulation estimate and stated in its petition that it could not be determined. At oral argument GTEFL's explained that GTEFL was unable to determine stimulation for two reasons. First, GTEFL had no way to determine how ATT-C would reduce its rates in response to the BHMOC reduction or if the other IXCs would respond at all. Second, at the time we approved GTEFL's reduction, ATT-C had just made a large rate reduction in response to Southern Bell's BHMOC reduction. Further, several other rate reductions occurred simultaneous with the GTEFL BHMOC reduction. Thus, GTEFL had no way to isolate any stimulation that would occur only due to GTEFL's BHMOC reduction.

In the case of GTEFL's petition, its BHMOC reduction was voluntary, and, as we noted in Order No. 19677, GTEFL was earning within its approved return on equity range. The order quite clearly states that if the company is able to provide stimulation estimates it should. However, the order does not say we must or will include stimulation in each LEC's BHMOC reduction. Inclusion of stimulation is to be based on the particular facts before us. Even with its discovery requests completed Public Counsel advances no earnings based arguments for including stimulation, neither does it present any other reason that justifies inclusion of stimulation. On the facts of this case, we declined to include stimulation in GTEFL's BHMOC reduction. Public Counsel has raised no matter that we overlooked or failed to consider in reaching our decision. Accordingly, Public Counsel is denied.

Based on the foregoing, it is

ORDERED that Public Counsel's Motion for Reconsideration of Order NO. 19677 is denied as set forth in the body of this Order. It is further

ORDERED that this docket is closed.

By ORDER of the Florida Public Service Commission,  
this 7th day of JULY, 1989.

  
STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

TH/JSR

ORDER NO. 21520  
DOCKET NO. 881344-TL  
PAGE 4

NOTICE OF 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 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.