BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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| In re: Modified Minimum Filing Requirements Report of FLORALA TELEPHONE COMPANY. | DOCKET NO. 910729-TL |
| In re: Request for extended area service between the Glendale and Paxton exchanges by Walton County Commission. | DOCKET NO. 911187-TL<br>ORDER NO. 25693<br>ISSUED: 02/05/92 |

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman
SUSAN F. CLARK
J. TERRY DEASON
BETTY EASLEY

NOTICE OF PROPOSED AGENCY ACTION
ORDER REGARDING FLORALA TELEPHONE COMPANY'S
MMFRS AND REQUIRING IMPLEMENTATION OF AN
ALTERNATIVE EAS PLAN BETWEEN THE GLENDALE AND
PAXTON EXCHANGES BY FLORALA TELEPHONE COMPANY
AND CENTRAL TELEPHONE COMPANY OF FLORIDA

BY THE COMMISSION:

On July 31, 1991, Florala Telephone Company (Florala or the Company) filed Modified Minimum Filing Requirements (MMFRs) for the 12 months ending December 31, 1990. Our staff conducted an audit of the MMFRs and issued its report on November 6, 1991.

I. 1990 EARNINGS

The Company's currently authorized range of return on equity (ROE) is 11.9% to 13.9% with a midpoint of 12.9%. This was established by Order No. 22261, issued December 4, 1989, in Docket No. 891233-TL. The Company's Earnings Surveillance Report (ESR) and the MMFRs indicate that its achieved ROE was 8.64% for the year ending December 31, 1990. Upon review of the audit report, it appears that the Company did not overearn in 1990. Based on the audit, the calculated average of the Company's achieved ROE for 1990 was 10.64%. The ROE was calculated using Florala's financial statements and a revised final 1990 Cost Study which was filed with us on July 3, 1991. The differences in ROE between the audit and the ESR are attributable to: the jurisdictional separations factors; the changes in allocation method for Universal Service Fund (USF) revenue; the changes in allocation method for the general support assets; and the prior period revenue adjustment.

At the time of filing the MMFRs and the ESR, the 1990 Cost Study had not been completed, thus Florala had used the estimated

1990 separations factors. The revised final 1990 Cost Study was filed with us on July 3, 1990, and we have recalculated the revenue requirements based on the final 1990 jurisdictional separations factors.

Florala has operations in Florida and Alabama. Although the Company operates in two states, it has only one study area code for interstate filing purposes, meaning that any interstate filing is done on a combined basis.

In 1990, Florala received $135,540 in USF revenue from National Exchange Carrier Association (NECA) for its combined Florida and Alabama operations. In prior years, the Company allocated the total USF revenue between Florida and Alabama by the percentage of total company access lines. Thus, in 1990, 48.58% of the total USF revenue amount, $65,844, was allocated to the Florida operations as intrastate revenue.

We find that the Company's current method of allocation for the USF revenue is inappropriate. The USF revenue that a company receives is dependent upon its central office equipment and outside plant costs in relation to the number of loops, also known as per loop cost. A company's per loop cost is then compared to the national average per loop cost. If a company's per loop cost is higher than the national average by more than 15%, a company receives USF revenue from NECA.

Over the past several years, Florala has been undertaking major construction in Florida by replacing central office equipment and outside plant. Although the Company has about a 50/50 split in the number of access lines between the two states, Florida has approximately 75% of the total company's net investment excluding general support assets. As a result, Florida's per loop cost is much higher than Alabama's per loop cost. We recalculated the USF amount using only the Florida operations to determine what amount of the USF is generated solely from the Florida operations. Of the total USF revenue received, 92% is generated due to Florida's higher loop cost.

We find that although Florala files only one report to NECA for USF, the Company should calculate the USF amount separately for each of the states for allocation purposes. Since Florida's ratepayers pay the cost, they should benefit from any return on that outlay.

Florala has general support assets, such as buildings, heavy equipment, and vehicles that are commonly used between the states. The Company currently allocates the general support assets according to the percentage of remaining net investment associated with central office, information originating/terminating equipment and cable and wire facilities which can be specifically identified by state.

Due to the plant upgrade in Florida, Florida's rate base is much larger than Alabama's rate base although the number of access lines in each is almost identical. Using the Company's current allocation method, 75% of the total general support assets are being allocated to Florida's operations. Since the amount of general support assets used is not directly related to the amount of investments in central office or outside plant, we find that the current allocation method is inappropriate. The general support assets are used to support the personnel of a company who perform day-to-day operations. Upon review, we find that it is likely that the percentage of the personnel time spent on each state approximates the percentage of access lines. Thus, the Company shall use the access line allocation method. The change in the allocation method for the general support assets will have an impact on the allocations of the related depreciation reserve and expense.

Florala recorded $48,925 of intrastate revenue in 1990 that relates to prior period operations. Thus, the revenues associated with the 1990 operation were inflated by that amount. We made a prior period adjustment to decrease revenue to reflect the true 1990 revenue.

Although the aforementioned elements increase Florala's earnings from the filing, these increases do not bring the Company's earning above its authorized ceiling for 1990. Therefore, we take no action concerning Florala's 1990 earnings.

## II. PROJECTED 1991 EARNINGS

Using ten months of 1991 actual data, we have forecasted the earnings for 1991. It appears that the earnings will fall within Florala's authorized return on equity range of 11.9% to 13.9%. Two contributing factors to the Company's expected improved earnings in 1991 compared to 1990 are an increase in USF revenue and an increase in intraLATA MTS revenue.

In 1991, Florala Telephone Company is expected to receive $179,994 in USF revenue, an increase of $44,454 from 1990. Although USF revenue is received from NECA, it is treated as intrastate revenue. Using the method of assigning USF revenue between the two states, in 1991, which is set forth above, the

Florida operations will receive an additional $40,897 in USF revenue compared to 1990.

Currently, Central Telephone Company of Florida (Centel) performs the rating service for Florala's intraLATA MTS routes. From February through September 1991, Centel has applied its MTS rates rather than Florala's tariffed rates. Because Centel's rates are lower than Florala's rates, Florala has been recovering less toll revenue from its customers. We find the amount of the lost toll revenue to be $27,126. Thus, intrastate revenue should be increased by that amount. The companies are negotiating the amount of settlement at this time.

Although we expect the aforementioned factors to improve the Company's achieved ROE for 1991, it appears that Florala will not earn above its authorized ROE ceiling. We estimate that Florala's achieved ROE for 1991 will be 13.40%. Therefore, we take no action concerning Florala's 1991 earnings at this time. We will continue to monitor Florala's 1991 earnings through the quarterly ESR. We will true-up the Company's 1991 earnings using the 1991 Cost Study that will be filed on June 30, 1992.

## III. EQUITY RATIO FOR TEST YEAR ENDING DECEMBER 31, 1992

If Florala Telephone generates a similar amount of net income and maintains the same dividend payout policy in 1992 as it did in 1990 and 1991, the utility will increase its equity ratio to 68.5% of investor capital. During the period 1979 to 1992, we forecast that Florala will have only paid 19.6% of its accumulated net income as dividends. The low dividend payout ratio coupled with a declining debt balance will increase Florala's equity ratio, will increase its after-tax cost of capital, and will increase its revenue requirement above what is necessary for the provision of service.

Florala's high equity position is due in part to the budgeting process which the Company practices. The parent company requires that the construction budget be funded through a combination of depreciation and net income less any dividends paid. The use of any additional funds requires Board approval. This means if the Company forecasts a large capital outlay, it is forced to pay fewer dividends. By funding projects internally, the utility has significantly increased its cost of capital compared to the scenario of funding a larger portion of capital projects with lower-cost Rural Telephone Bank (RTB) funds.

Standard & Poor's (S & P) has established a range of equity ratios for a "low risk" BBB-rated telephone company of 35% to 45%. S & P has established a range for a "high risk" BBB-rated telephone company of 38% to 50%. The distinction between a "low" and a "high" risk telephone company is based on a subjective judgement of competition in the company's service territory and the level of regulatory support. Florala's equity ratio for the projected test year ending December 31, 1992 of 68.5% is well outside the range established by Standard & Poor's. For this reason we will make an adjustment for ratemaking purposes. We do not define Florala as high or low risk because the criteria for high or low risk companies is a subjective area that is currently defined only by S & P. We find that a benchmark of 45% is a reasonable equity ratio because it represents the highest percentage in the range of a "low risk" BBB-rated company and is above the midpoint in the range of a "high risk" BBB-rated company.

We will make the equity adjustment by first reducing the Company's short-term or temporary investments. Our practice is to adjust short-term investments through a pro-rata adjustment to the capital structure. The adjustment for short-term investments will be made through a specific capital structure adjustment. Any excess amount of short-term investments after the adjustment will remain as a pro-rata adjustment. Although the excess funds invested in temporary investments are collected from ratepayers, the investment earnings contribute to the Company's income below-the-line and therefore do not benefit the ratepayers.

In Florala's case, the equity adjustment amount is more than its short-term or temporary investments. For Florala, the remaining adjustment shall be removed from equity, but there shall be a corresponding adjustment added back to the other investor sources of capital. This type of adjustment will not reduce the amount of capital, but shifts dollars from one investor source to another. In Florala's capital structure, corresponding dollars are added back to long-term debt. If the Company paid dividends as it could have, or maintained a reasonable equity position, it would have less equity and would have relied on other sources of capital such as debt to finance capital outlays and operations.

If the Company had acted more prudently and borrowed the additional funds from the REA as imputed in our adjustment, this debt would have had a cost associated with it. The additional long-term debt (RTB loan) added to Florala's capital structure for 1992 is assigned a cost rate of 6.19%, which is the average cost associated with a twenty-five year RTB loan. The 6.19% rate represents today's effective cost of a RTB loan.

The adjustment will reduce the equity ratio from 68.5% to 45% and reduce the overall cost of capital from 8.72% to 6.86%. On a pre-tax basis, the overall cost of capital will change from 14.13% to 11.11%. We find that the adjusted capital structure is reasonable and is more representative of a BBB-rated telephone company.

IV. APPROPRIATE AUTHORIZED RETURN ON EQUITY

Employing a leverage formula modeled after the one used in determining the cost of equity capital for utilities in the water and wastewater industry, we have calculated a return on equity (ROE) for Florala Telephone of 12.8%. This rate of return is inextricably related to the 45% equity ratio discussed above.

We recognize that the cost of equity will vary inversely with the amount of equity in the capital structure (equity ratio). For the water and wasterwater industry, we periodically approve a formula that formally expresses the cost of equity capital for an average water and wastewater utility at any given equity ratio. After determining the equity ratio of a particular utility, the utility's cost of equity capital can be estimated by applying the leverage formula. The leverage formula provides us with a methodology for determining the cost of equity capital, and consequently the allowed ROE, for water and wastewater utilities without the time-consuming analysis generally associated with determining the cost of equity capital in a formal rate proceeding.

We are beginning development of a leverage formula for the small telephone utilities based on the same principles applied in the water and wastewater leverage formula. The telephone leverage formula is based on the application of generally accepted financial models to two indices of publicly traded utility stocks. We performed a Discounted Cash Flow (DCF) analysis on each of the seven Regional Bell Holding Companies (RBHCs). We also conducted a Risk Premium analysis on the companies in the Moody's Natural Gas Distribution index. We used the Moody's index as a proxy for the RBHC index in its risk premium analysis because the RBHCs have only been in existence since 1984 and as a result there is insufficient data regarding the RBHCs to do a valid risk premium study. The results of the models were then adjusted to compensate for the difference in risk between the companies in the indices and the small utilities to which the formula is applied. A bond yield differential analysis was conducted to determine the difference in yields between AA-rated bonds (the average bond rating for the RBHC index) and BBB-rated bonds (the assumed bond rating for small telephone utilities.) The difference in yields between these two bond ratings was then applied to the cost of equity capital for the indices to determine the appropriate cost of equity capital for the average small REA telephone utility.

Based on the leverage formula using the most currently available data and an equity ratio of 45%, we approve an ROE for Florala Telephone of 12.8% plus or minus 100 basis points for all prospective regulatory purposes.

V. PROJECTED EARNINGS FOR 1992

Based on our forecast of the Company's 1991 earnings, we forecasted its 1992 earnings. The two foremost factors affecting the 1992 earnings other than the aforementioned equity adjustments are: an increase in USF revenue; and increases in depreciation expense and associated net plant in service for the central office switch-out.

NECA's preliminary estimate of Florala's 1992 USF revenue is $205,500 for both states, an increase of $25,506 from 1991's USF revenue. Using the USF calculation method set forth in Section I above, the Florida operations will receive an additional $23,465 of USF revenue in 1992.

During the last quarter of 1991, Florala is expected to replace a central office in the Paxton exchange with a digital office. We anticipate that the new central office will increase the depreciation expense and the accumulated depreciation reserve in 1992. The net revenue requirement effect in 1992 due to the new central office will be an increase of approximately $17,000. The Company projects replacement of the Laurel Hill exchange central office in late 1992. With the new digital central offices, the Company is able to offer Touchtone and enhanced services. We anticipate that the Company's local revenue will increase going forward due to its new service offerings.

We calculated an estimated impact on the Company's revenue requirement for the changes in the SPF phase-down and the weighted Dial Equipment Minute transitional factor phase-up. The net impact of these factor changes is immaterial for Florala, thus we did not incorporate them in the 1992 earnings calculation.

Upon review, we find that incorporating the 1992 USF revenue, and the increase in depreciation expense adjustments along with the aforementioned new ROE and equity ratio adjustments will provide a reasonable forecast for 1992. Our estimated achieved ROE for the

Company for 1992 is 16.3%. Thus, Florala Telephone Company shall reduce rates by $53,588 as set forth below.

## VI. COMPANY TO REDUCE RATES

The embedded gross receipts tax (GRT) (1.5%) is proposed to be unbundled and billed each month as a separate line item. Rule 25-4.110(8)(b), Florida Administrative Code, provides that "[i]f the tariffed rates in effect have a provision for gross receipts tax, the rates must be reduced by an amount equal to the gross receipts tax liability imposed by Chapter 203, Florida Statues, thereby rendering the customer's bill unaffected by the election to add the Gross Receipts Tax as a separately stated tax." Although it might be argued that this Rule requires that unbundling the GRT means that each rate be reduced identically (by 1.5%), we do not believe that, practically, this is possible. Yet, we believe that the intent of this Rule is that no company benefit, at its customers' expense, from the unbundling of the GRT and that customers are held harmless. Additionally, we note that if every rate element were reduced by the amount of the GRT, it would result in some fractional rates.

In a general earnings case, like this, where we are considering the total earnings of a company, we have some latitude in how to handle the Company's earnings in a logical fashion. See e.g., Dockets Nos. 891246-TL and 891239-TL, the Centel and United rate cases. Rather than reducing basic local exchange rates, which in Florala's service area are already among the lowest in the State, we find that the GRT shall be applied in other critical areas such as the reduction of Touchtone, MTS rates and BHMOC. Reductions in these three areas benefit all ratepayers.

We have previously expressed a goal of reducing or eliminating Touchtone charges for this Company and other LECs. The Company recently installed a digital switch in the Paxton exchange and the Laurel Hill exchange is scheduled to have a digital switch installed in the fourth quarter of 1992. Florala will then be 100% digital. With the installation of digital switches the Company will incur no additional cost to provide Touchtone service. The Company's current Touchtone rates are $1.50 for residential and $3.00 for business customers. Approximately 9% of residential and 1% of business customers have Touchtone. Upon review, we find that the Company's Touchtone charges shall be eliminated. The elimination of Touchtone rates results in a $2,665 reduction in revenues annually. The Company shall advise customers of the rate reductions and availability of Touchtone at no additional charge through a bill stuffer within 30 days of the effective date of this order.

The elimination of Touchtone leaves $55,842 for further reductions (53,588 overearnings + 4,919 unbundle gross receipts tax - 2,665 eliminate Touchtone charges). There are three general areas which we find to be appropriate for these reductions: EAS; MTS; and Access Charges.

We recently received a request for toll relief from the Walton County Board of Commissioners on the Glendale to Paxton route. Docket No. 911187-TL was established to review the request. In our investigation in this docket, a traffic study of the Paxton to Glendale route indicates that approximately 17% of the Paxton customers make two or more calls. The M/M/Ms on this route are 1.23. This falls short of the requirement for 3 M/M/Ms and at least 50% of the subscribers making 2 or more calls for flat rate toll free calling. Thus, we will not require the Company to survey the affected customers.

We are currently considering rulemaking on county-wide EAS and have previously approved similar intra-county routes. In addition, we have previously ordered Centel to provide county-wide calling within Walton County for all Centel exchanges. This was done in the context of the Centel Rate Case - Docket No. 891246-TL. No action was taken at that time concerning the Paxton exchange because of the potential revenue impact on Florala. Paxton presently has local flat rate calling to the DeFuniak Springs exchange (the county seat). With the approval of $.25 local calling to Glendale, the Paxton exchange will have local calling to all contiguous exchanges.

Therefore, we find it appropriate that the $.25 Plan be implemented on the Paxton to Glendale route. This, in combination with the reduction of toll rates discussed below, will result in a decrease of approximately $4,500 in revenue if no stimulation is taken into account. If we assume 100% stimulation the impact is reduced to less than $236. We only address the impact to Florala due to the reduced toll rates on traffic from Paxton to Glendale. As discussed below, we shall require Centel to implement a modified $.25 plan on the Glendale to Paxton route. Thus, Florala shall treat the revenue from the Paxton to Glendale route as local revenue, and no terminating access charge will apply. Furthermore, all calls on this route will be considered local traffic and shall be provided on a seven digit dialed basis.

With the implementation of the $.25 Plan on the Paxton to Glendale route and the toll rate reductions, revenues will be decreased by $36,100. This takes no stimulation into account. If stimulation is 100% the revenue decrease will only amount to $31,819.

We find that Florala's intraLATA toll rates and its time-of-day discounts shall be changed as shown below. These changes will place Florala in a better competitive position on MTS traffic. We recently ordered similar changes for Centel, Gulf and Quincy. The discount period shall be from 9 PM to 9 AM and apply for the entire weekend. We find that this discount period will be simpler to understand and allow subscribers to make discounted toll calls beginning after 9 PM rather than having to wait until after 11 PM. The new rates and discounts are as follows:

| New Time of Day Discounts | | | | |
|---|---|---|---|---|
| | | M - F | SATURDAY | SUNDAY |
| Day | 9 AM - 9 PM | Full | 40% | 40% |
| Eve/Ngt | 9 PM - 9 AM | 40% | 40% | 40% |

| MILEAGE | New Rates 1st MIN | Add'l MIN |
|---|---|---|
| 0-10* | $0.15 | $0.08 |
| 11-22 | 0.18 | 0.14 |
| 23-55 | 0.25 | 0.24 |
| 56-124 | 0.25 | 0.24 |
| 125-292* | 0.25 | 0.24 |

* Florala does not have any intraLATA toll routes in these mileage bands.

The new rates compare favorably with other LECs' intraLATA rates. The rate reductions along with the $0.25 plan on the Paxton to Glendale route will result in an annual reduction of $36,100 with no stimulation calculated. The reduced MTS rates shall become effective March 1, 1992.

Florala's Busy Hour Minute of Capacity Charge (BHMOC) is currently $6.60, which is higher than most small LECs. Using $24,710, BHMOC can be reduced to $4.95, a 25% percent reduction. Historically, as we have reduced the access charges of the LECs, we also required ATT-C to flow the benefits of the reductions to customers by reducing its MTS rates. In this case, the BHMOC reduction is too small in isolation to effect a reduction in ATT-C's MTS rates. However, each of the small LECs has MMFR filings pending before the Commission. As other LECs' MMFRs are addressed, we anticipate that the cumulative total of these reductions will be sufficient to effect a reduction to ATT-C's rates. In this case, the BHMOC reduction of $24,710 ordered for Florala shall be incorporated into any Vista-United's BHMOC reduction.

We have not approved a permanent reduction in local rates because Florala's rates are presently $7.60 for residence, $15.75 for business and $32.70 for PBX.

In summary, the ordered changes are:

| | |
|---|---|
| Revenue | |
| Estimated excess earnings 1992 | $53,588 |
| Unbundle Gross Receipts Tax | 4,919 |
| Total revenue available | 58,507 |
| Eliminate Touchtone | $ (2,665) |
| Reduction in MTS+ | |
| and implement $.25 plan Paxton to Glendale | (36,100) |
| Reduction in BHMOC | (24,710) |
| Estimated 100% stimulation on $.25 route | 4,281 |
| Total reductions | $(59,194) |
| Net effect | $ (687) |

Assuming 100% stimulation on the Paxton to Glendale route, the net impact in the Company's earnings is $687 below its new authorizedROE midpoint.

## VII. MODIFIED $.25 PLAN - CENTEL'S GLENDALE TO PAXTON ROUTE

As discussed above, we have ordered Florala to implement the $.25 Plan on the Paxton to Glendale route. These two exchanges neighbor one another and are located in the same county. The calling patterns do not qualify for flat rate nonoptional EAS, but do justify an alternative for toll rates.

With the implementation of the $.25 Plan one way from Paxton to Glendale, we find that, in order to provide equity for the customers in Glendale, the $.25 Plan shall be implemented two ways. One concern is that Glendale has the modified $.25 Plan (rate is $.20 per message) to all the surrounding Centel exchanges. It might be confusing for the Glendale customers to pay $.25 per message calling an adjacent Paxton exchange and pay $.20 per message for the other Centel routes in Walton and Okaloosa counties.

Therefore, we order Centel to file tariffs to implement the modified $.25 Plan, $.20 per message, from Glendale to Paxton. Tariffs to reflect this change shall be filed with the Commission, no later than March 1, 1992.

## VIII. THIS PROCEEDING TO BE TREATED AS MOST RECENT RATE CASE

Section 364.035(3), Florida Statutes, provides that:

> It is the legislative intent in requiring the mandatory filing of the minimum filing requirements that the Public Counsel and other substantially affected persons be assured of periodically obtaining the necessary information to reasonably ascertain whether the rates and charges of a local exchange telecommunications company are just, reasonable, not unjustly discriminatory, not in violation of law, and not yielding excessive compensation for the service rendered.

We find that the intent of the statute was not only for the Commission to gather information but also to allow the Commission to perform a periodic in-depth review of a company's financial and earnings status. Companies submit periodic Earnings Surveillance Reports, however, such reports do not provide sufficient information to be a solid basis for a Commission-initiated rate review proceeding. Furthermore, a rate proceeding is often lengthy and expensive. Section 364.035(3) provides for a less burdensome proceeding than a full rate case and yet produces enough information for us to conduct an in-depth review to ascertain whether the rates of a company are just and reasonable.

The statute mandates local exchange companies with less than 100,000 access lines to file MMFRs every five years. This applies to nine of the 13 local exchange companies. In the past, most of the small local exchange companies had a formal rate proceeding on an average of every ten years. The new Statute provides all parties an opportunity to address accounting adjustments and an appropriate return on equity on a regularly scheduled basis. Because these periodic reviews offer an opportunity for a full review, we find that this MMFR proceeding shall be treated as the most recent rate case proceeding.

IX. DOCKETS TO BE CLOSED

We have reviewed Florala Telephone Company's earnings for the 12 months ending December 31, 1990, the test year in the Modified Minimum Filing Requirements docket, as well as the Company's projected earnings for 1991 and 1992. The Company did not earn in excess of its authorized ROE ceiling in the 1990 test year, and this Order resolves issues surrounding the 1991 and 1992 earnings. Therefore, Docket No. 910729 shall be closed at the expiration of the Proposed Agency Action (PAA) period if no timely protest is filed.

Additionally, Docket No. 911187-TL, requesting toll relief on the Paxton and Glendale route shall be closed at the expiration of the PAA period, if no timely protest is filed.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that each and every finding set forth herein is approved in every respect. It is further

ORDERED that Florala Telephone Company did not earn in excess of its maximum authorized ROE of 13.9% for 1990. It is further

ORDERED that we shall take no action regarding Florala Telephone Company's 1991 earnings at this time. It is further

ORDERED that the Commission shall adjust the utility's equity ratio to 45% of investor sources for ratemaking purposes. It is further

ORDERED that on a prospective basis, the appropriate return on equity is 12.8% plus or minus 100 basis points. It is further

ORDERED that the projected excess earnings of $53,588 and $4,919 of gross receipts tax shall be disposed of by reducing rates as set forth in the body of this Order. It is further

ORDERED that tariffs shall be filed by January 28, 1992 to become effective March 2, 1992. The Company shall advise customers of the rate reductions and availability of Touchtone at no additional charge through a bill stuffer. It is further

ORDERED that Centel shall implement the modified $.25 Plan, $.20 per message, on the Glendale to Paxton route. It is further

ORDERED that Centel shall file a tariff to implement the aforementioned plan by March 2, 1992. It is further

ORDERED that this MMFR docket shall be treated as the most recent rate case for all purposes. It is further

ORDERED that Dockets Nos. 910729-TL and 911187-TL, shall be closed at the expiration of the Proposed Agency Action period if no protest is timely filed.

By ORDER of the Florida Public Service Commission, this 5th day of FEBRUARY, 1992.

Steve Tribble

STEVE TRIBBLE, Director
Division of Records and Reporting

( S E A L )

CWM

Chairman Beard dissented regarding the disposition of the $53,588 in revenues which the Company is required to reduce.

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.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and

Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on 2/26/92.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater 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 of the effective date 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.