

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition to recover) DOCKET NO. 941023-TL
Operator Systems investment by) ORDER NO. PSC-95-0007-FOF-TL
GTE FLORIDA INCORPORATED.) ISSUED: January 4, 1995
_____)

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
SUSAN F. CLARK
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

NOTICE OF PROPOSED AGENCY ACTION
ORDER ALLOWING RECOVERY OF OPERATOR SYSTEMS INVESTMENT

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

On September 28, 1994, GTE Florida Incorporated (GTEFL) filed a petition requesting approval of a one-time amortization to recover the net investments associated with Operator Systems equipment retiring in early 1995. These retirements are the result of the Company's program to consolidate and streamline its directory assistance network. The Directory Assistance function now located in Florida will be transferred to Lexington, Kentucky in early 1995, thus eliminating the need for much of this equipment in Florida. As a result, a significant portion of the current operator systems investment will be retired.

As of June 30, 1994, the total Company investment in the Operator Systems accounts is \$28,486,031. Of this amount, \$19,318,890, with an associated reserve of \$4,760,965, represents the equipment subject to retirement as a result of the consolidation of the directory assistance function. The estimated material cost of the equipment that is expected to be reused in Kentucky is \$2,388,144. This results in a net unrecovered cost of \$12,169,781 that should be recovered by the time the associated equipment retires.

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FPSC-RECORDS/REPORTING

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 this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.038(2), Florida Administrative Code, if issued by a Prehearing Officer; (2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or (3) 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 wastewater utility. A motion for reconsideration shall be filed with the Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.

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Of the remaining operator systems investment of \$9,167,141, \$8.0 million is comprised of a DMS 200 switch and the language assistance bureau that are expected to remain in service in Tampa. In addition, there is a residual \$1.1 million of directory assistance equipment which is being considered for lease to GTE Hawaii. According to GTEFL, this residual directory assistance equipment will remain on the Florida books along with the associated revenue from the lease.

We acknowledge GTEFL's need to recover the net investments retiring due to the consolidation of the directory assistance function. Therefore, we accept GTEFL's petition to book a one-time total company amortization expense amount of \$12,169,781 in 1994. This amount represents the associated unrecovered costs calculated as of June 30, 1994. Any true-up caused by changes in plans or activity can be made in 1995 when the Company's triennial depreciation study is reviewed.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the petition to recover \$12,169,781 of operator systems investment in 1994, filed by GTE Florida Incorporated, is hereby approved. It is further

ORDERED that this Order shall become final and effective unless an appropriate petition is filed in accordance with the "Notice of Further Proceedings or Judicial Review" as set forth below. It is further

ORDERED that in the event this Order becomes final, this Docket should be closed.

By ORDER of the Florida Public Service Commission, this 4th day of January, 1995.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

by: Kay Flynn
Chief, Bureau of Records

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