

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for approval of
remaining life rates by Quincy
Telephone Company.

DOCKET NO. 960794-TL
ORDER NO. PSC-97-0708-AS-TL
ISSUED: June 13, 1997

The following Commissioners participated in the disposition of
this matter:

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

ORDER APPROVING SETTLEMENT AGREEMENT
AND MAKING ORDER NO. PSC-97-0118-FOF-TL, AS AMENDED BY ORDER NO.
PSC-97-0118A-FOF-TL,
FINAL AND EFFECTIVE

BY THE COMMISSION:

On January 31, 1997, we issued Proposed Agency Action Order No. PSC-97-0118-FOF-TL, in which we approved Quincy Telephone Company, (Quincy's) request for revision of its remaining life rates. We amended that Order by Amendatory Order No. PSC-97-0118A-FOF-TL, issued February 13, 1997, to provide for the attachment of the Commission-approved life, salvage, and reserve components and resulting depreciation rates. On February 19, 1997, the Office of Public Counsel (OPC) filed a protest of the Order as amended and petitioned for a hearing pursuant to Section 120.57(1), Florida Statutes. OPC disputed the average remaining life rate, the depreciation expense, and the curve shape for each of the accounts for cable and wire facilities, digital switching equipment, and circuit equipment. A hearing was set for September 19, 1997.

At an issue identification workshop on April 7, 1997, however, OPC and Quincy reached an agreement to open discussion of a settlement. On April 15, 1997, OPC and Quincy filed a Joint Motion to Accept Settlement and Close Docket. The settlement agreement is attached to this Order as Attachment A.

Under the settlement, OPC states that it withdraws its protest and petition, contingent upon our acceptance of the settlement.

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Quincy states that it agrees that OPC may contest the appropriateness of the revised depreciation rates should Quincy ever seek revenue rates based on them. OPC acknowledges that it is not in the public interest to litigate the revised depreciation rates at this time, since they have not caused Quincy to seek increased consumer prices. We find that the settlement between OPC and Quincy is reasonable and in the public interest. We agree with the parties that a challenge of the revised depreciation rates approved in Order No. PSC-97-0118-FOF-TP is inappropriate unless and until the company seeks increased consumer prices based on those rates. Accordingly, we find it appropriate to accept the settlement reached by OPC and Quincy and to make Order No. PSC-97-0118-FOF-TL as amended by Order No. PSC-0118A-FOF-TL a final order, effective May 19, 1997.

Based on the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that the settlement agreement reached by the Office of Public Counsel and Quincy Telephone Company, as herein described, is approved. It is further

ORDERED that the settlement agreement reached by the Office of Public Counsel and Quincy Telephone Company, attached hereto as Attachment A, is incorporated herein by reference. It is further

ORDERED that Order No. PSC-97-0118-FOF-TL as amended by Order No. PSC-0118A-FOF-TL is hereby made a final order, effective May 19, 1997. It is further

ORDERED that this docket shall be closed.

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By ORDER of the Florida Public Service Commission, this 13th
day of June, 1997.



BLANCA S. BAYO, Director
Division of Records and Reporting

(S E A L)

CJP

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), 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: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) 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 and/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 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.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Request for Approval of)
Remaining Life Rate by Quincy)
Telephone Company.)
_____ /

Docket No. 960794-TL

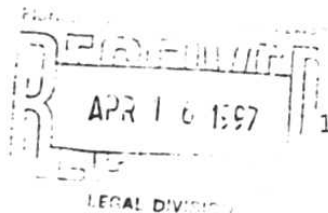
SETTLEMENT AGREEMENT

This agreement is entered into between Quincy Telephone Company ("Quincy") and the Citizens of the State of Florida ("Citizens").

WHEREAS, on July 1, 1996, Quincy filed a request with the Florida Public Service Commission seeking authorization to change its depreciation rates, and

WHEREAS, the Florida Public Service Commission issued a proposed agency action order ("order") on January 31, 1997, approving new depreciation rates for Quincy, and

WHEREAS, on February 19, 1997, the Citizens filed a protest of the proposed agency action order and requested the Commission to hold an evidentiary hearing pursuant to section 120.57(1), Florida Statutes, on Quincy's request to change its depreciation rates, and




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WHEREAS, the parties wish to avoid the expense and uncertainty at this time of engaging in such a proceeding.

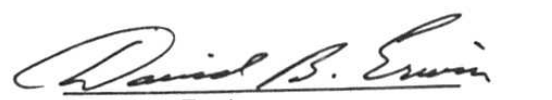
NOW, THEREFORE, the parties agree as follows:

1. The Citizens agree to withdraw their protest of proposed agency action and petition for a section 120.57(1) hearing on the condition that the Florida Public Service Commission accepts this agreement.
2. Quincy agrees that the Citizens may litigate or otherwise contest the appropriateness of any or all of the depreciation rates contained in the proposed agency action order at any time that Quincy seeks rates based in whole or in part on those depreciation rates.

Dated this 15th day of April 1997.


Jack Shreve, Public Counsel
Office of the Public Counsel
111 West Madison St., #812
Tallahassee, FL 32399-1400

Attorney for the Citizens
of the State of Florida


David B. Erwin
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P.O. Box 1833
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Attorney for Quincy Telephone
Company

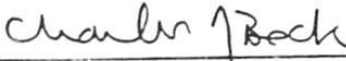
**CERTIFICATE OF SERVICE
DOCKET NO. 960794-TL**

I HEREBY CERTIFY that a correct copy of the foregoing has been furnished by
U.S. Mail or *hand delivery to the following party representatives on this 15th day of
April, 1997.

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Charles J. Beck
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