

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for approval of tariff filing to revise rates for directory assistance, directory listings and customer calling features, and to introduce two custom calling feature packages, by Frontier Communications of the South, Inc.

DOCKET NO. 970714-TL  
ORDER NO. PSC-97-0910-FOF-TL  
ISSUED: July 31, 1997

The following Commissioners participated in the disposition of this matter:

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

ORDER APPROVING TARIFF

BY THE COMMISSION:

On June 4, 1997, Frontier Communications of the South, Inc., (Frontier) filed a tariff to revise its rates for directory assistance, directory listings, inside wire maintenance, custom calling features, and to introduce two custom calling feature packages. By Order No. PSC-93-1167-FOF-TL, issued August 10, 1993, in Docket No. 930493-TL, we approved Frontier's request to provide minimum and maximum (banded) rates for all custom calling features. We further ordered that Frontier could adjust its actual rates for custom calling features provided that the rates stayed within the approved range, and 30 days notice was given to the Commission and to Frontier's customers. In that order, we stated at page 2 that:

a permanent banded rate structure will give the Company the flexibility to modify its rates within an established band upon thirty day notice to the Commission. This will enable the Company to generate maximum contribution from discretionary services

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because this, in turn, minimizes the pressure  
for increased local basic service rates.

#### Custom Calling Features

Currently, Frontier charges \$1.75 for all basic residential custom calling features, excluding Visual and Audible Message Waiting Indication, whose rates are not being changed. Under its proposal, Frontier seeks to increase these basic residential custom calling features to \$2.00. Frontier also proposes increasing rates of two of its advanced residential custom calling features, Caller ID and Caller ID Plus Name. Caller ID, which is currently \$4.00, and Caller ID Plus Name, which is currently \$5.00, would both increase to \$6.00.

In addition, Frontier proposes changing its custom calling features rates for business customers. Currently, Frontier charges \$2.25 for all basic business custom calling features, again excluding Visual and Audible Message Waiting Indication, whose rates are not being changed. Under its proposal, the company would decrease these basic custom calling features to \$2.00. Frontier also proposes decreasing the charge for one of its advanced business custom calling features, Caller ID Plus Name, from \$7.00 to \$6.00.

We find that the proposed rates for all residential and business services are in line with the rates other local exchange telecommunications companies are charging for the same services. Accordingly, we grant our approval.

#### Miscellaneous Charges

Frontier seeks approval to increase the company's rates for directory assistance, non-published numbers, non-listed numbers, additional listings, and extra line matter in reference listings. Table A shows the current and proposed rate for each service.

TABLE A

<u>SERVICE</u>	<u>CURRENT RATE</u>	<u>PROPOSED RATE</u>
Directory Assistance	\$.25	\$.30
Non-published number	\$1.75	\$2.50
Non-listed number	\$.40	\$2.00
Additional listings	\$.35	\$1.00
Extra line matter	\$.35	\$1.00

Compared to the rates charged by other incumbent local exchange telecommunications companies, we find that Frontier's current rates are low.

Based on a review of Frontier's earnings in Docket No. 960776-TL, we believe that Frontier will not overearn when the increased revenues resulting from this tariff are taken into account. The estimated increased annual revenues of approximately \$35,609 result in an increase in return on equity (ROE) of 1.56%. Frontier reported earning a negative 12.2% ROE for the twelve month period ending December 31, 1996. As noted above, Frontier's current rates are low for the majority of services when compared to the rates charged by other local exchange telecommunications companies. Frontier's proposed rates more closely follow the approved rates for those companies. Therefore, we find that the increases in these rates are appropriate. Accordingly, we grant our approval.

#### Custom Calling Feature Packages

Frontier proposes two custom calling feature packages called Total Package and Super Package. Total Package includes: Caller ID Name & Number, Anonymous Call Rejection, Call Forward, Call Waiting Deluxe, Voice Mail (10 Message), Repeat Dial (\*66), Message Waiting Indication, Speed Dial 8, Three-Way Calling, and Maestro 1500CW Rental. It is available to residential customers for \$14.95 per month and to business customers for \$17.95 per month. Super Package includes: Caller ID Name & Number, Anonymous Call Rejection, Voice Mail, Message Waiting Indication, and Maestro 1500 CW Rental. Super Package also includes a choice of two of the following custom calling features: Call Waiting, Speed Call 8, Speed Call 30, or Three-Way Calling. It is available to residential customers for \$9.95 per month and to business customers for \$12.95 per month. These custom calling feature packages are similar to offerings we have approved for other local exchange

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telecommunications companies. We find that these packages are appropriate. Accordingly, we grant our approval.

We have found banded rates to be an appropriate policy for maximizing revenues, while reducing upward pressure on local rates. The services that will be affected are discretionary services that can be used at the customer's option. Frontier has provided us with 30 days notification, as well as 30 days notification to Frontier's customers through two billing inserts. The rate changes proposed by the company will help it improve its negative return on equity, without putting it in an overearnings posture.

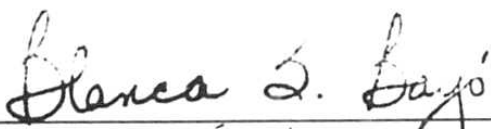
Based on the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that the tariff filed by Frontier Communications of the South, Inc., as described in the body of this Order, is approved, effective July 15, 1997. It is further

ORDERED that if a protest is filed within 21 days from the issuance of this Order, the tariff shall remain in effect pending resolution of the protest. It is further

ORDERED that if a timely protest is not filed, this docket shall be closed.

By ORDER of the Florida Public Service Commission, this 31st day of July, 1997.

  
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BLANCA S. BAYÓ, Director  
Division of Records and Reporting

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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.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the action proposed files a petition for a formal proceeding, as provided by Rule 25-22.036(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a)(d) and (e), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on August 21, 1997.

In the absence of such a petition, this Order shall become final on the day subsequent to the above date.

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 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 date this Order becomes final, 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.