

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of CENTRAL TELEPHONE)	DOCKET NO. 881370-TL
COMPANY OF FLORIDA regarding disposition)	
of certain 1987 revenues)	
)	
In re: Refund of CENTRAL TELEPHONE)	DOCKET NO. 891182-TL
COMPANY OF FLORIDA'S 1988 overearnings)	ORDER NO. 22395
)	ISSUED: 1-10-90

The following Commissioners participated in the disposition of this matter:

MICHAEL MCK. WILSON, Chairman
 THOMAS M. BEARD
 BETTY EASLEY
 GERALD L. GUNTER
 JOHN T. HERNDON

ORDER ACCEPTING STIPULATION

BY THE COMMISSION:

By Order No. 17783, issued June 30, 1987, we accepted as clarified the Stipulation (the First Stipulation) entered into on June 8, 1987, by the Office of Public Counsel (OPC) and Central Telephone Company of Florida (Centel). Centel was ordered to refund \$7,478,000 to its customers, covering the period February 3, 1987, through July 31, 1987. The company was also directed to make a further refund of its 1987 earnings in excess of a 13.25% return on equity (ROE) subsequent to the filing of its surveillance report on March 15, 1988, for the year ended December 31, 1987.

On October 21, 1988, Centel filed a petition which states that its 1987 overearnings were \$5,673,872 and seeks permission to apply the entire overearnings toward reserve deficiencies in its depreciation accounts. On November 10, 1988, OPC submitted an objection to the petition, and on May 31, 1989, OPC filed a motion to strike a portion of the petition. OPC contended that the parties had not been able to reach an agreement on the amount of the additional refund and suggested that we order Centel to make a preliminary refund of \$5,673,872 plus the appropriate amount of accrued interest. On June 26, 1989, Centel submitted a letter in which it agreed to dispose of 1987 excess earnings through cash refunds to its customers.

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After reviewing the revised 1987 surveillance report filed by Centel, we found that the company's earnings as reported should be increased. By Order No. 21823, issued September 5, 1989, we directed Centel to make a preliminary refund of \$6,181,450 plus interest of \$1,170,375 for the period from January of 1987 through August of 1989. In view of the inability of Centel and OPC to reach an agreement on the final 1987 refund, Order No. 21823 established a proceeding to determine the proper calculation of the final amount of 1987 earnings to be refunded pursuant to Order No. 17783.

On October 6, 1989, Docket No. 891182-TL was opened to consider the appropriate disposition of Centel's 1988 overearnings, and we received Centel's revised 1988 surveillance report on October 25, 1989. Our Staff has conducted audits of both the 1987 and 1988 surveillance reports and participated in discovery during the course of these proceedings.

Centel and OPC submitted a Stipulation (the Second Stipulation) on November 16, 1989, proposing a settlement of the hearing proceeding established by Order No. 21823 through a final refund of \$2,279,000 in 1987 and 1988 overearnings plus interest of \$442,491. Our Staff recommends our acceptance of the Second Stipulation because the proposed \$2,279,000 refund for both years, excluding interest, appears reasonable. Staff has reviewed the calculation of \$442,491 in interest called for in the Second Stipulation and believes it to be reasonable. For these reasons, we will accept the Second Stipulation as a reasonable settlement of the hearing proceeding established by Order No. 21823.

Centel has retained customer records for at least one year, and we believe that it is appropriate to refund overearnings to those customers who paid these revenues to the company to the maximum extent possible. In this case, the refund will be made as a credit to residential and business customers of record as of November 27, 1988, in the same proportion as the various local exchange rates bear to each other.

By Order No. 20648, issued January 24, 1989, the petitions to intervene in Docket No. 881370-TL filed by AT&T

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Communications of the Southern States, Inc. (ATT-C), and MCI Telecommunications Corp. (MCI), were granted. On October 30 and 31, 1989, ATT-C and MCI, respectively, filed petitions to withdraw from this docket. Neither party has actively participated in this docket, and both petitions will be granted.

The Second Stipulation further requested that Docket No. 861361-TL, an investigation into the earnings of Centel, be closed upon the completion of the refund authorized herein; however, this docket was closed in July of 1988, after Centel made the refunds for 1987 pursuant to Orders Nos. 17783 and 18643. Accordingly, this request is dismissed as moot.

Now therefore it is

ORDERED by the Florida Public Service Commission that the Stipulation submitted by the Office of the Public Counsel and Central Telephone Company of Florida on November 16, 1989, proposing a final refund of 1987 and 1988 overearnings plus interest in settlement of Dockets Nos. 881370-TL and 891182-TL, is hereby accepted. It is further

ORDERED that Central Telephone Company of Florida shall make the final refund of 1987 and 1988 overearnings plus interest as directed in the body of this Order. It is further

ORDERED that Central Telephone Company of Florida shall file with the Florida Public Service Commission a report of the actual amounts refunded to its customers upon the completion of the refund. It is further

ORDERED that the Petitions to Withdraw filed by AT&T Communications of the Southern States, Inc., and MCI Telecommunications Corp. are hereby granted. It is further

ORDERED that Dockets Nos. 881370-TL and 891182-TL shall be closed administratively by our Staff upon its determination that the refund has been achieved as directed in the body of this Order.

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By ORDER of the Florida Public Service Commission,
this 10th day of JANUARY, 1990.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

DLC

by: Kay Helton
Chief, Bureau of Records

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 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 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 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.