

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Modified Minimum Filing Requirements Report of NORTHEAST FLORIDA TELEPHONE COMPANY, INC.	)	DOCKET NO. 910731-TL
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In re: Comprehensive review of the revenue requirements and rate stabilization plan of SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY	)	DOCKET NO. 920260-TL
	)	ORDER NO. PSC-93-0228-FOF-TL
	)	ISSUED: 02/10/93
	)	
	)	

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman  
THOMAS M. BEARD  
SUSAN F. CLARK  
JULIA L. JOHNSON  
LUIS J. LAUREDO

NOTICE OF PROPOSED AGENCY ACTION  
ORDER REQUIRING REFUND FOR 1991  
AND ELIMINATING INTERLATA SUBSIDY

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 adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

Northeast Florida Telephone Company, Inc. (Northeast or the Company) filed its Modified Minimum Filing Requirements (MMFRs) on July 22, 1991. By Order No. PSC-92-0337-AS-TL (the Order), issued May 12, 1992, the Commission approved, with certain modifications, a settlement agreement (the Agreement) submitted by Northeast and the Office of Public Counsel (OPC). The Agreement resolved 1990 and 1991 overearnings and implemented a \$.25 calling plan. The Order identified preliminary overearnings of \$484,200 for 1991, with the exact amount to be determined at the completion of the

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Company's 1991 cost study. Northeast began refunding this amount plus interest to its customers in July 1992. The total amount refunded in 1992 was \$230,560.

On November 12, 1992, Northeast submitted a revised earnings surveillance report which showed that the Company received revenues in excess of its 1991 maximum return on equity of 14.4%. Based on that report, the total amount of the refund is \$469,086, which includes \$435,636 plus \$33,457 in interest accrued through December 31, 1992. The Company shall refund this amount in accordance with the provisions of the Agreement approved by the Commission.

As part of the Agreement the Commission approved a stipulation which requires further reductions in Northeast's bill and keep subsidies to the extent that Northeast's earnings exceed a 13.2% return on equity. Based on Northeast's level of earnings and the stimulation which is occurring with the \$.25 calling plan from MacClenny to Jacksonville, Northeast's remaining interLATA subsidy shall be eliminated and Northeast shall be removed from the interLATA subsidy pool, effective January 1, 1993. The elimination of Northeast's interLATA subsidy will decrease the amount that BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and Telegraph Company (Southern Bell) will pay into the pool. Consistent with prior Commission action, the reduction in subsidy payments by Southern Bell will be added to the set aside amount to be disposed of in Southern Bell's pending rate case, Docket No. 920260-TL.

We shall continue to monitor the results of the 1992 rate reductions and monitor compliance with the provisions of the Agreement which addresses earnings through 1993.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Northeast Florida Telephone Company, Inc. shall refund 1991 overearnings in the amount of \$469,086, in accordance with the provisions of the settlement agreement accepted by the Commission in Order No. PSC-92-0337-AS-TL. It is further

ORDERED that Northeast Florida Telephone Company, Inc.'s current interLATA subsidy of \$23,000 annually shall be eliminated and Northeast Florida Telephone Company, Inc. shall be removed from the interLATA access charge bill and keep subsidy pool, effective January 1, 1993. It is further

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ORDERED that BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and Telegraph Company's reduced subsidy payment shall be included as an additional set aside amount to be disposed of in Docket No. 920260-TL. It is further

ORDERED that Docket No. 920260-TL shall remain open pending further proceedings. It is further

ORDERED that Docket No. 910731-TL shall remain open.

By ORDER of the Florida Public Service Commission this 10th day of February, 1993.

  
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STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

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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

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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 MARCH 4, 1993.

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.