

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Determination of ) DOCKET NO. 950146-TL  
appropriate subscriber plant ) ORDER NO. PSC-95-0370-FOF-TL  
factor to apply to ALLTEL ) ISSUED: March 15, 1995  
Florida, Inc. )  
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The following Commissioners participated in the disposition of this matter:

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

ORDER REQUIRING REVENUES TO BE HELD  
SUBJECT TO REFUND PENDING FCC RULING

BY THE COMMISSION:

Commission Staff, the Office of Public Counsel (OPC), and ALLTEL Florida, Inc. (ALLTEL) began discussions on January 4, 1995, concerning the company's authorized return on equity (ROE) and its projected earnings for 1995 and 1996.

By Order No. PSC-94-0383-FOF-TL, ALLTEL's authorized ROE was lowered to 11.5% +/- 1.0%, \$450,000 of 1994 intraLATA subsidy revenues were deferred to 1995, various rates were lowered, and 1994's earnings were capped at 12.5% ROE. On a preliminary basis, it appears that ALLTEL will earn approximately \$475,000 above its authorized ROE ceiling in 1994. The ratepayers are protected by the earnings cap for 1994, which was approved by Order No. PSC-94-0380-FOF-TL.

In addition to the continued high level of ALLTEL's projected earnings for 1995 and 1996, there is an issue concerning the Federal Communications Commission's (FCC's) rules on the interaction of the Universal Service Fund and the allocation of costs to the interstate jurisdiction. Staff suggests that ALLTEL's intrastate earnings will be increased by approximately \$1,353,000 in 1995, due to the FCC rule. ALLTEL does not believe that staff's interpretation of the rule is correct. If staff's interpretation is correct, then staff projects that ALLTEL will earn 15.14% ROE for 1995.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

ORDER NO. PSC-95-0370-FOF-TL  
DOCKET NO. 950146-TL  
PAGE 2

To preserve the interests of all parties, ALLTEL presented a proposal for Commission approval. This proposal is attached to this Order as "Appendix A". In essence, the agreement provides that ALLTEL shall collect \$1,353,000 of annual revenues subject to refund, pending a ruling by the FCC on the proper interpretation of the rule. Within 60 days of the Commission vote approving the proposal, the Commission will seek a ruling from the FCC concerning the proper interpretation of the rule. If ALLTEL is correct in its interpretation, the revenues shall be released. If staff's interpretation of the FCC rule is correct, then further proceedings are likely after the FCC renders an opinion to address the overearnings. OPC does not oppose this proposal. We find that the proposal is reasonable and should be approved.

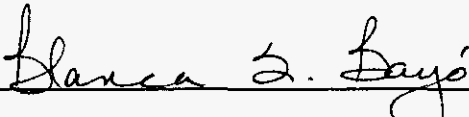
Based on the foregoing, it is therefore

ORDERED by the Florida Public Service Commission that ALLTEL shall, beginning January 1, 1995 place \$1,353,000 plus interest in annual revenues subject to further disposition of the Commission for the sole purpose of obtaining a ruling of the Federal Communication Commission on the proper use of the 5% limit on change in interstate allocation rule. It is further

ORDERED that the proposal presented by ALLTEL and attached to this Order as "Appendix A" is approved. It is further

ORDERED that this docket shall remain open pending a determination of the proper interpretation of the FCC rule and the appropriate disposition of the revenue held subject to refund.

By ORDER of the Florida Public Service Commission, this 15th day of March, 1995.



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BLANCA S. BAYÓ, Director  
Division of Records and Reporting

( S E A L )

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ORDER NO. PSC-95-0370-FOF-TL  
DOCKET NO. 950146-TL  
PAGE 3

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.

ORDER NO. PSC-95-0370-FOF-TL  
DOCKET NO. 950146-TL  
PAGE 4

APPENDIX A

The name of this docket shall be changed to: In re: Determination of Appropriate Subscriber Plant Factor to Apply to ALLTEL Florida, Inc.

ALLTEL will agree beginning January 1, 1995 to place \$1,353,000 plus interest in annual revenues subject to further disposition of the Commission for the sole purpose of obtaining a ruling of the Federal Communication Commission ("FCC") on the proper use of the 5% limit on change in interstate allocation rule.

If Staff's interpretation of the FCC rule is found by the FCC to be correct then, after the FCC renders its opinion and its decision is final, the monies held subject to the disposition of the Commission will be disposed of in a manner to be determined by the Commission.

If the Company's interpretation of the FCC's rule is correct then the monies held subject to disposition shall be released and no further action will be taken in this docket and this docket will be closed.

The Commission will prepare and file with the FCC within 60 days of the vote of the Commission approving this agreement a Motion for Declaratory Ruling or some other appropriate filing before the FCC that provides ALLTEL an opportunity to provide written comments to the FCC.