

FLORIDA PUBLIC SERVICE COMMISSION  
Capital Circle Office Center • 2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

**M E M O R A N D U M**

February 8, 1996

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF COMMUNICATIONS (BROWN) *AB*  
DIVISION OF LEGAL SERVICES (HATCH) *HD*

RE: DOCKET NO. 960137-TL - NOTICE OF ELECTION OF PRICE  
REGULATION BY VISTA-UNITED TELEPHONE COMPANY OF FLORIDA

AGENDA: 2/20/96 - REGULAR AGENDA - INTERESTED PERSONS MAY  
PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: I:\PSC\CMU\WP\960137TL.RCM

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**CASE BACKGROUND**

The recent changes in Chapter 364, Florida Statutes, by Chapter 95-403, Laws of Florida, allow for local exchange companies to elect price regulation effective as early as January 1, 1996. When a company elects price regulation, certain rates will be capped and the company will be allowed to revise rates only per the statute.

On February 5, 1996 Vista-United Telephone Company of Florida filed notification that it would elect price regulation effective February 5, 1996. This recommendation will address as of what dates this company's rates should be capped.

DOCUMENT NUMBER-DATE

01481 FEB-8 96

FPSC-RECORDS/REPORTING

DOCKET NO. 960137-TL  
DATE: February 8, 1996

DISCUSSION OF ISSUES

ISSUE 1: With Vista-United's election of price regulation effective February 5, 1996, as of what date should its rates be capped?

RECOMMENDATION: With Vista-United's election of price regulation effective February 5, 1996, its basic and network access rates should be capped effective February 5, 1996 pursuant to Sections 364.051(2) and 364.163, Florida Statutes. In addition, the rates for protected non-basic services should be capped at the rates in effect on July 1, 1995 as specified in section 364.051(6) (a), Florida Statutes.

STAFF ANALYSIS: Vista-United filed notification on February 5, 1996 (Attachment A) that it would elect price regulation effective February 5, 1996. Section 364.051, Florida Statutes, details the provisions of price regulation for the local exchange companies.

Section 364.051(1) (a), Florida Statutes, reads:

For a local exchange telecommunications company with 100,000 or more access lines in service as of July 1, 1995, such company may file with the commission a notice of election to be under price regulation effective January 1, 1996 or,...

Section 364.051(2) (b), Florida Statutes, reads:

Upon the date of filing its election with the commission, the rates for basic local telecommunications service of a company that elects to become subject to this section shall be capped at the rates in effect on that date and shall remain capped as stated in paragraph (a).

Vista-United has filed its notification pursuant to this latter provision.

Therefore, Vista-United's basic local telecommunications service rates will be capped at the levels in effect on February 5, 1996. In addition, these rates cannot be increased until January 1, 1999.

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Section 364.02(2), Florida Statutes, defines basic local telecommunications service as:

...voice-grade, flat-rate residential and flat-rate single-line business local exchange services which provide dial tone, local usage necessary to place unlimited calls within a local exchange area, dual tone multi-frequency dialing, and access to the following: emergency services such as "911," all locally available interexchange companies, directory assistance, operator services, relay services, and an alphabetical directory listing. For a local exchange telecommunications company, such term shall include any extended area service routes, and extended calling service in existence or ordered by the commission on or before July 1, 1995.

In addition to the basic local telecommunications services being capped, there are caps related to protected non-basic services (364.051(6)) and network access services (364.163). The protected non-basic services are capped at the rates in effect on July 1, 1995. There is no cap for all other non-basic services. Network access rates are capped at the rates in effect on February 5, 1996, the effective date of the election.

The non-basic services portion (364.051(6)(a)) specifically states:

...However, for purposes of this subsection, the prices of:

1. A voice-grade, flat-rate, multi-line business local exchange service, including multiple individual lines, centrex lines, private branch exchange trunks, and any associated hunting services, that provides dial tone and local usage necessary to place a call within a local exchange calling area; and

2. Telecommunications services provided under contract service arrangements to the SUNCOM Network, as defined in chapter 282,

shall be capped at the rates in effect on July 1, 1995, and such rates shall not be increased prior to January 1, 1999;...

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With Vista-United's election of price regulation effective February 5, 1996, staff recommends that its basic and network access rates should be capped effective February 5, 1996 pursuant to Sections 364.051(2) and 364.163, Florida Statutes. In addition, the rates for protected non-basic services should be capped at the rates in effect on July 1, 1995 as specified in section 364.051(6)(a), Florida Statutes.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes. This docket should be closed.

STAFF ANALYSIS: With the Commission's approval of staff's recommendation in Issue 1, this docket should be closed.



February 5, 1996

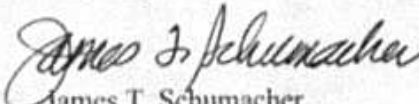
Ms. Blanco Bayo  
Director  
Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Re: Notice of Election of Price Regulation  
by Vista-United Telecommunications

Dear Ms. Bayo:

Pursuant to Section 364.051, Florida Statutes (1995), by this letter Vista-United Telecommunications provides notice of its election to be under price regulation, effective this fifth day of February, 1996.

Sincerely,

  
James T. Schumacher  
Manager-Business Affairs

JS/lbh

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Vista-United Telecommunications  
*"bringing the Disney standard of excellence to telecommunications"*

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01256 FEB-5 1996