

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: General investigation into) DOCKET NO. 890178-TL
 what return on equity cap should be)
 applied for QUINCY TELEPHONE COMPANY) ORDER NO. 21043
 for 1989)
 _____) ISSUED: 4-13-89

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

NOTICE OF PROPOSED AGENCY ACTION
AND
ORDER ACCEPTING PROPOSED RESOLUTION

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

At our Agenda Conference on March 21, 1989, we considered an offer submitted by Quincy Telephone Company (Quincy) on March 6, 1989, for the purpose of resolving the issues in the above-referenced docket. Specifically, Quincy proposes to refund to customers its 1989 earnings that exceed a cap. The cap proposed is a 14.8% return on equity (ROE) unless our action in Docket No. 870453-TL becomes final. Should this action become final, then Quincy proposes that the cap would be 14.3%. Further, the company offers to eliminate all remaining zone charges as soon as possible and all multi-party service after December 31, 1989.

Quincy's interLATA bill-and-keep surpluses have been recorded in an unclassified depreciation reserve account. The amount of this surplus expected to be generated in 1989 is \$390,000, and Quincy proposes to place a credit of \$300,000 on customer bills and to record the balance in the reserve account. This credit would reduce the company's interLATA bill-and-keep surplus and its unclassified depreciation reserves. Moreover, the company proposes to pay out 100% of the dividends allowable by the Rural Electrification Administration, based on 1989 earnings. Finally, Quincy offers to transfer a portion of its unclassified depreciation reserve to the Customer Premises Equipment depreciation reserve. This action would permit full capital recovery of this equipment and transfer of its legal title to Quincy's customers by December 31, 1989.

Upon consideration, we shall propose to accept Quincy's offer as a reasonable resolution of the issues in this docket. Because the proposals offered by the company appear reasonable, we shall propose to order the company to implement them. If a proper protest is not timely filed, then this action will become final.

DOCUMENT NUMBER-DATE

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It is therefore,

ORDERED by the Florida Public Service Commission that the offer submitted on March 6, 1989, by Quincy Telephone Company is hereby accepted. It is further

ORDERED that Quincy Telephone Company shall implement the proposals contained within its offer submitted on March 6, 1989, for the purpose of resolving the issues in this docket. It is further

ORDERED that this docket shall be closed if this action becomes final upon the expiration of the period for filing protests to this Proposed Agency Action without a proper protest being filed and after the appropriate tariffs are filed.

By ORDER of the Florida Public Service Commission,
this 13th day of April, 1989.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

by: Kay Flynn
Chief, Bureau of Records

DLC

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 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 May 4, 1989. In the absence of such a petition, this order shall become effective May 5, 1989, as provided by Rule 25-22.029(6), Florida Administrative Code, and as reflected in a subsequent order.

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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 May 5, 1989, 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 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 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.