

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: General investigation into what) DOCKET NO. 890180-TL
 return on equity cap should be applied) ORDER NO. 21092
 for GULF TELEPHONE COMPANY for 1989) ISSUED: 4-21-89
 _____)

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 ACTIONORDER ESTABLISHING EARNINGS CAP

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.

In Docket No. 870454-TL, Investigation into the 1986 Earnings of Gulf Telephone Company, Gulf's authorized Return on Equity (ROE) was set at 13.8% + 1.0% and the company agreed to cap its 1988 earnings at 14.8% ROE. Gulf also agreed to eliminate zone charges and to reduce its local rates effective May 1, 1988. However, there is currently no provision regarding any excess 1989 earnings. Gulf's December 1988 surveillance report indicates an achieved ROE of 23.78%.

At our Agenda Conference on March 21, 1989, we considered a commitment submitted by Gulf on March 8, 1989, proposing to cap its 1989 earnings at its currently authorized maximum ROE of 14.8% and to refund any 1989 earnings in excess of this level to customers of record at the time the refund is ordered. Upon consideration, we find it appropriate to accept the company's proposal.

It is therefore,

ORDERED by the Florida Public Service Commission that the commitment submitted on March 8, 1989, by Gulf Telephone Company is hereby accepted as set forth in the body of this Order. It is further

ORDERED that an earnings cap on Gulf's 1989 earnings of 14.8% return on equity is hereby established. It is further

ORDERED that, in the event Gulf's 1989 earnings exceed a 14.8% return on equity, Gulf shall refund such excess earnings to customers of record at the time the refund is made. It is further

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

ORDER NO. 21092
DOCKET NO. 890180-TL
PAGE 2

ORDERED that this action shall become final and docket shall be closed if the period for filing a protest to this Proposed Agency Action expires without a proper protest being filed.

By ORDER of the Florida Public Service Commission,
this 21st day of APRIL, 1989.


STEVE TRIBBLE, Director
Division of Records and Reporting

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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 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 12, 1989. In the absence of such a petition, this order shall become effective May 13, 1989 as provided by Rule 25-22.029(6), Florida Administrative Code, and as reflected in a subsequent order.

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.

ORDER NO. 21092
DOCKET NO. 890180-TL
PAGE 3

If this order becomes final and effective on May 13, 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.