

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: ST. JOSEPH TELEPHONE AND) DOCKET NO. 890383-TL
 TELEGRAPH'S TARIFF FILING TO ESTABLISH A) ORDER NO. 21321
 CHARGE FOR OPERATOR-ASSISTED LOCAL CALLS) ISSUED: 6-5-89

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

ORDER APPROVING TARIFF REVISION

BY THE COMMISSION:

Operator-assisted local calls are those that require the intervention of a local exchange company (LEC) operator to complete. These calls include: (a) station-to-station customer-dialed credit card calls, (b) station-to-station operator-assisted sent paid, collect, third number and noncustomer-dialed credit card calls, and (c) person-to-person local calls. Six LECs current have charges for operator-assisted local calls included in their tariffs.

On March 8, 1989, St. Joseph Telephone and Telegraph Company (St. Joe) filed a tariff revision (the Revision) proposing to establish charges for operator-assisted local calls. St. Joe currently provides operator-assisted local calls at no additional charge. The Revision proposes the following rates per call: (a) 75¢ for the first category set out above, (b) \$1.00 for the second category, and (c) \$2.50 for the third category. St. Joe indicates that it has no cost study supporting the proposed rates but has proposed the same rates already approved for Southern Bell Telephone and Telegraph Company. These charges would be in addition to the 25¢ local coin rate if the call is placed at a paystation. Currently, a customer who has a credit card, but no coin, cannot make a local credit card call without the direct assistance of a St. Joe operator.

The Revision provides for the following exemptions to these proposed charges: (1) placed at a paystation, (2) supporting the proposed rates but, (a) calls to designated company numbers for official telephone business, (b) emergency calls to recognizable authorized civil agencies, and (c) those cases where a company operator provides assistance to: (1) reestablish a call which has been interrupted after the called number has been reached, (2) reach the called telephone number where facility problems prevent customer dial completion, and (3) place a noncoin, sent-paid call for a calling party who identifies himself as being handicapped and unable to dial the call because of his handicap.

St. Joe proposes to give customers sixty days' notice by including a "bill stuffer" in its monthly bills outlining the rates for these service. Also, customers utilizing operator assistance will be advised of any applicable rates prior to the completion of their calls.

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St. Joe states that it is currently processing approximately 950 local calls requiring operator assistance per month. Based on this calling rate, the Revision would generate annual revenues of approximately \$11,400. This estimate did not include potential repression in the use of the service once a charge is established; therefore, actual revenue may be lower than projected because St. Joe estimates that customer usage will decrease with the institution of these rates. St. Joe says that the proposed charges are intended to not only cover the cost of providing the service but also to discourage abuse by subscribers of a charge-free service. An additional reason for the proposed charges, according to the company, is to allow a paystation user a method for billing a local call to a credit card or for calling collect.

St. Joe's current achieved return on equity (ROE) is 14.45%, and the company's authorized earnings cap is a 14.8% ROE for 1989. Adding the estimated \$11,400 revenues from this service to its earnings would increase the company's ROE by .09%. Since its earnings are currently so close to the company's cap, we believe an alternative should be sought for the additional revenues. We find it appropriate to offset St. Joe's payment from the LEC intraLATA subsidy pool by these revenues because this action will assist in the eventual phase-out of the subsidy St. Joe now receives, which is \$579,000 annually. We believe that the generated revenues should be held until December of 1989 before being applied against the subsidy. Since we are unsure of the actual revenues that will be generated by the proposed charge, we believe that it is inappropriate to determine at this time the exact amount to be applied in this manner. Revenues from this service in the future shall also be handled in this manner.

The proposed rates are reasonable, and we note that they are identical to existing charges by other LECs for these services. Accordingly, the Revision is approved with an effective date of May 6, 1989.

Therefore, based on the foregoing, it is

ORDERED by the Florida Public Service Commission that St. Joseph Telephone and Telegraph Company's March 8, 1989 tariff revision proposing to establish a charge for operator-assisted local calls is hereby approved with an effective date of May 6, 1989. It is further

ORDERED that the additional revenues generated by the charges approved herein shall offset St. Joseph Telephone and Telegraph Company's payments from the IntraLATA subsidy pool. It is further

ORDERED that this docket is hereby closed.

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By ORDER of the Florida Public Service Commission,
this 5th day of June, 1989.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

DLC

by: Kay Flynn
Chief, Bureau of Records

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 the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) 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 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 after the issuance 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.