

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Amendment of Rule)	DOCKET NO. 890586-TI
25-24.485, F.A.C., pertaining)	
to interexchange company)	ORDER NO. 22121
tariffs.)	
<hr/>		ISSUED: 10-31-89

NOTICE OF ADOPTION OF RULE AMENDMENT

NOTICE is hereby given that the Commission, pursuant to Section 120.54, Florida Statutes, has adopted the amendments to Rule 25-24.485, F.A.C., relating to interexchange company tariffs without change.

The rule amendment was filed with the Secretary of State on October 30, 1989, and will be effective on November 20, 1989. A copy of the relevant portions of the certification filed with the Secretary of State is attached to this Notice.

This docket is closed upon issuance of this notice.

By Direction of the Florida Public Service Commission,
this 31st day of OCTOBER, 1989.

STEVE TRIBBLE, Director
Division of Records & Reporting

(S E A L)

WJB

3210G

by: Kary Flynn
Chief, Bureau of Records

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CERTIFICATION OF
PUBLIC SERVICE COMMISSION ADMINISTRATIVE RULES
FILED WITH THE
DEPARTMENT OF STATE

I do hereby certify:

(1) The time limitations prescribed by paragraph 120.54(11)(a), F.S., have been complied with; and

(2) There is no administrative determination under section 120.54(4), F.S., pending on any rule covered by this certification; and

(3) All rules covered by this certification are filed within the prescribed time limitations of paragraph 120.54(11)(b), F.S. They are filed not less than 28 days after the notice required by subsection 120.54(1), F.S., and;

(a) And are filed not more than 90 days after the notice; or

(b) Are filed not more than 90 days after the notice not including days an administrative determination was pending; or

(c) Are filed within 21 days after the adjournment of the final public hearing on the rule; or

(d) Are filed within 21 days after the date of receipt of all material authorized to be submitted at the hearing; or

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/ (e) Are filed within 21 days after the date the transcript was received by this agency.

Attached are the original and two copies of each rule covered by this certification. The rules are hereby adopted by the undersigned agency by and upon their filing with the Department of State.

<u>Rule No.</u>	<u>Specific Rulemaking Authority</u>	<u>Law Being Implemented, Interpreted or Made Specific</u>
25-24.485	350.127(2), F.S.	364.04, F.S.

Under the provision of paragraph 120.54(12)(a), F.S., the rules take effect 20 days from the date filed with the Department of State or a later date as set out below:

Effective: _____
 (month) (day) (year)

 Steve Tribble

 Director, Division of Records & Reporting
 Title

 Number of Pages Certified

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25-24.485 Tariffs.

All tariffs must be filed with the Commission, using the following guidelines, before becoming effective.

(1) General.

(a) Each company shall maintain on file with the Commission tariffs which set forth all of the rates and charges for customer services, the different services available to subscribers and the conditions and circumstances under which service will be furnished. However, minor interexchange carriers are authorized to provide services to other certificated telephone companies by individually negotiated contract rates in addition to filing and providing those services to end users pursuant to tariffs. When a minor interexchange carrier chooses to utilize such individually negotiated contract rates for services to other certificated telephone companies, and in any other instances in which the Commission has authorized contract rates for specific offerings, the conditions under which such contracts may be offered shall be clearly stated in the company's tariff but the contracts themselves need not be part of the tariff. The contracts must, however, be available for Commission review. The tariff shall not include charges for customer premises equipment.

(b) Each company shall provide support to accompany any proposed changes as outlined in subsection (4).

(c) The tariff will be Florida-specific and all rates, charges, and service descriptions shall be for intrastate usage,

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unless interstate rates are necessary to compute the intrastate portion of a customer's monthly bill; then, the interstate rates, charges, and service descriptions shall also be quoted in the tariff to the extent necessary to compute the intrastate portion of a customer's bill.

(d) The tariff must be clearly expressed in simple words, sentences and paragraphs. It must avoid unnecessarily long, complicated or obscure phrases or acronyms so that the customer will understand that for which he is contracting.

(e) The tariff shall be written in a manner such that service will be provided on a non-discriminatory basis. No public statement of service quality, rates, or service offerings or billings should be misleading or differ from those stated in the tariff.

(f) A printed notice shall be kept posted by each company in a public and conspicuous place in each office where application for service may be made stating that its tariff and standard contract and agreement forms are on file at that office and are open to examination by any person. The company will also make available a list of the exchanges it serves.

(g) All proposed changes to the existing tariff shall be directed to the Director of the Division of Communications, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, FL 32301. A filing must be received by the Division of Communications before 5:00 p.m. of a normal Commission workday in order for it to be "filed" on that day.

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(h) All tariff changes shall be submitted to the Commission in quadruplicate in the form prescribed herein. After the effective date, one copy stamped "received" will be returned to the company, which shall be the notice to the company that the filing has been received and is on file. If acknowledgement of the filing at the time of receipt is desired, the letter of transmittal shall be sent in duplicate with a request that the duplicate be returned.

(i) Companies shall charge only the rates contained in their tariff. If a company desires to charge rates or charges at a lower level than is contained in an existing tariff and wishes to charge those lower rates only temporarily and afterwards return to the existing tariff level, it may, instead of filing two tariff revisions to decrease and then later increase the rate, file a single tariff change reflecting the conditions of the temporary tariff change. Such tariff provision shall state the specific tariff charges to be reduced, the temporary level of charges, a description of the customers who would be eligible for the decrease, the conditions under which customers would receive a decrease, and the beginning and ending dates of the reduction. Temporary reductions should not result in any individual customer being able to receive temporary reduced rates for a given service offering for more than 90 days in any twelve (12) month period. Any tariff provisions in existing tariffs on the effective date of this rule which do not contain the above information or meet the

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above requirements must be refiled within ninety (90) days after the effective date of this rule to comply with the above.

(j) The requirements of the following subsections shall apply on a prospective basis from the effective date of this rule. Existing tariffs on the effective date of this rule need not be amended to comply with the following except upon Commission staff request.

(2) Effective Date.

(a) The initial tariff will become effective on the effective date of the required Certificate of Public Convenience and Necessity, unless the company requests a later effective date.

(b) For all companies, changes to an existing tariff will become effective on the 30th day following the day it is filed with the Division of Communications unless the company requests a later effective date, or the Commission suspends or denies the filing prior to the 30th day.

(3) Format.

(a) All tariffs filed shall be submitted in loose leaf form on 8 1/2" x 11" sheets, typewritten on a good grade of white three-hole paper of durable quality, using one side of the paper only. All copies must be clear and legible. Sufficient margin shall be allowed on each sheet for a left-hand binding edge so that when the tariff book is open all printed matter will be in view.

(b) Every sheet in the tariff shall be numbered.

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(c) Each sheet shall bear the name of the company in the upper left-hand corner of the sheet.

(d) Each initially approved sheet in the tariff shall be marked "Original Sheet" in the upper right-hand corner of the sheet. As an example: Original Sheet No. 1, or Original Sheet No. 5.2.

(e) Revised sheets in the tariff shall be marked with the number of the revision in the upper right-hand corner and the number of the sheet(s) it replaces. As an example:

First Revised Sheet No. 1

Cancel Original Sheet No. 1

or

Fourth Revised Sheet No. 5.2,

Cancel Third Revised Sheet Nos. 5.2, 5.3 and Second Revised Sheet 5.4

(f) On the bottom of each sheet shall appear the name and title of the issuing officer of the company. To the right of the issuing officer's name there shall appear "Effective:_____."

(g) In general, the filed tariffs of the companies shall contain the following in the order listed:

1. Title Page. The title page shall adequately identify the volume as the tariff, filed by the particular company with the Florida Public Service Commission, governing the sale of the specific company service provided, and shall be sheet number 1.

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2. Table of Contents and Index. All tariffs shall have a table of contents identifying the page location of each section in the tariff. In tariffs of less than 30 sheets, the table of contents may serve as subject index for the entire volume. In tariffs of 30 sheets or more, each section will also be individually indexed by subject.
3. Symbols Used in Tariff Filings. The following symbols will be used in any proposed change to the existing tariff in the manner described herein. The symbols will appear in the right hand margin of each sheet on the same line(s) to which any change has been made. If three or more consecutive lines are affected, it shall be sufficient to place one symbol on the first and last lines of the group affected and a vertical line drawn connecting the two symbols. In all such cases the pair of symbols will be the same. In the event more than one type of change occurs on the same line, two or more types of symbols denoting the changes shall be placed next to each other on the affected line. The following are the only letters allowed to denote the following types of change:

D - Delete or Discontinue
I - Change Resulting In An Increase to A

Customer's Bill

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M - Moved from Another Tariff Location

N - New

R - Change Resulting In a Reduction To A
Customer Bill

T - Change in Text or Regulation but No Change
to Rate or Charge

4. Technical Terms and Abbreviations. This section shall contain full and concise information as to the meaning of all technical and special terms and abbreviations used in the tariff.
5. Rules and Regulations. This section shall include all rules, regulations, practices, exceptions and conditions made or observed relative to the company service furnished, which are general and apply to all or many of the services offered. It shall contain the company's credit rating requirements and its deposit requirements. If a general regulation does not apply to a particular service, that fact should be clearly stated.
6. Description of Service Offered.
 - a. This section shall contain a description of how a billable call is timed, when timing begins and ends, and the method used to make this determination.
 - b. This section shall also contain a description of how distance is measured for toll rating purposes and

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the formula used to compute it, as well as what points are used for origination and termination with respect to calculation of the distance between them.

- c. This section shall contain a statement of the minimum call completion rate a subscriber can expect to encounter during the IXC's busy hour, expressed as a percentage, computed by dividing the number of calls completed by the number of calls attempted. The stated call completion rate for end-to-end Feature Group C & D service shall not be less than 90%.
- d. This section shall detail all relevant information which pertains to a particular type of service, and will be subdivided into subsections for each type of service offered.
7. Rates. All standard rate schedules, rates and charges for all services, and other data necessary to compute the customers' monthly bills for intrastate service shall be placed in this section. If more than one type of service is offered, all information pertaining to an individual service shall be grouped together or clearly cross-referenced.

(4) Information to Accompany Tariff Filings.

(a) A letter of transmittal shall accompany each filing, which lists the sheets (by sheet number and revision level) being

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transmitted and gives a brief description of all changes included therein and the reasons for the changes.

(b) Along with each tariff filing the company shall include four (4) copies of the tariff pages which contain proposed changes as they will appear in the approved tariff.

(c) Each tariff filing shall also include one coded format copy of each tariff page filed showing changes to the existing tariff page. Changes shall be indicated by inserting and underlining new words; words to be deleted shall be lined through with hyphens. In the case where all changes to a sheet cannot be fitted onto one page, for the purpose of providing the coded format copy only, the changes may be carried over to an additional sheet.

(d) For major interexchange companies, the Commission may establish a rate cap or floor or both for new and existing services. Where no such range has been established, existing tariff rates are both the floor and cap. In addition to the items contained in (a) through (c) above, the following are also required:

1. For existing offerings where the proposed rate is between the authorized floor and cap and the charge is, to the extent practicable, an equal percentage change to all rate elements for a given service category:

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- a. A tabulation in typical bill form setting forth, at representative consumption levels, the charges applicable under the present and proposed rates, together with the differences expressed in dollars and in percent;
- b. A statement that the proposed rates are above the floor and below the cap.
2. For existing offerings where the proposed rate is below the floor or above the cap or where the charge is not, to the extent practicable, an equal percentage change to all rate elements for a given service category:
 - a. A tabulation in typical bill form setting forth, at representative consumption levels, the charges applicable under the present and proposed rates, together with the difference expressed in dollars and in percent;
 - b. The estimated gross increase or decrease in annual revenues resulting therefrom, if ascertainable.
 - c. A cost information statement where available, containing a summary of the cost study performed, including:
 - (i) All underlying assumptions;
 - (ii) The cost study number, if assigned;
 - (iii) The cost of providing the service or equipment;

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- (iv) The proposed contribution above or below direct cost, stated in both dollars and percent; and,
 - (v) A statement as to why each above-cost or below-cost contribution rate was chosen.
 - (vi) The anticipated effect on the company's rate of return; and
 - (vii) A statement as to why the proposed rate is above the cap or below the floor.
3. For new service offerings:
- a. An estimate of the annual revenue to be derived from the new service offering and the change in overall revenue expected from the offering of the new service.
 - b. An estimate of the number of customers to be served by the new service offering.
 - c. A description of the offering and a statement explaining the reason for the new offering.
 - d. A statement that the aggregate revenues from the new service offering at the proposed rates exceed the floor.

(e) Major interexchange companies who request a change in rates, charges, terms or conditions of private line/special access service or who propose a new private line/special access service shall, upon staff request, provide cost support for the request in accordance with Rule 25-4.044.

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Specific Authority: 350.127(2), F. S.

Law Implemented: 364.03, 364.035, 364.04, 364.05, 364.057,
364.08, 364.09, 364.10, 364.11, 364.14, 364.337, F.S.

History: New 2/23/87.

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Rule 25-24.485
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SUMMARY OF RULE

Rule 25-24.485 requires all interexchange companies to file their tariffs with the Commission pursuant to certain guidelines. Subsection (1)(a) requires that the tariffs set forth all rates and charges for customer services, what services are available, and the circumstances under which services will be furnished. The subsection also provides that, when the Commission has authorized contract rates for specific offerings, the conditions under which contracts may be offered shall be clearly stated in the company's tariffs. The contracts need not be a part of the tariffs, but must be available for review by the Commission.

The change the Commission is proposing in this subsection will specifically authorize minor IXCs to provide services to other certificated telephone companies by individually negotiated contract rates. However, when such contract rates are utilized, the companies will still have to set forth clearly in their tariffs the conditions under which such contracts may be offered. As before, the contracts will not need to be a part of the tariffs, but must be available for review by the Commission. Moreover, service to end users will continue to be pursuant to tariffs.

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SUMMARY OF HEARINGS ON THE RULE

No comments were filed; no hearing was requested or held regarding this rule change.

FACTS AND CIRCUMSTANCES JUSTIFYING THE RULE

The rationale for authorizing individually negotiated contract rates is to give minor IXC's pricing flexibility to respond quickly to changing competition in the wholesale carrier market. Because they are nondominant carriers, minor IXC's will not be able to use their contract rates in anticompetitive activities. Also, their wholesale customers, being certificated companies, will have sufficient expertise to protect themselves during negotiations. If they cannot negotiate with one IXC, they will have others to choose from. The Commission believes this type of competition should ultimately lead to reduced rates for ratepayers.