

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Telecommunications Access) DOCKET NO. 910496-TP
 System Act of 1991.) ORDER NO. 24581
) ISSUED: May 24, 1991
 _____)

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, CHAIRMAN
 J. TERRY DEASON
 BETTY EASLEY
 GERALD L. GUNTER
 MICHAEL M. WILSON

NOTICE OF PROPOSED AGENCY ACTION
ORDER REQUIRING FILING OF TARIFFS

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.

Background

The Florida Legislature passed the Telecommunications Access System Act (the Act) of 1991 (HB 2427). Section 427.704(5) requires the following:

The Commission shall require each local exchange telecommunications company to begin assessing and collecting the surcharge in the amount of 5 cents per access line per month on bills rendered on or after July 1, 1991, for remission to the administrator for deposit in the operational fund. Each local exchange telecommunications company shall remit moneys collected to the administrator. On August 15, 1991, each local exchange telecommunications company shall begin remitting the moneys collected to the administrator on a monthly basis and in a manner as prescribed by the Commission. The administrator shall use such moneys to cover costs incurred during the development of the telecommunications relay services and to establish and administer the specialized telecommunications devices system.

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Tariffs

While the relay system will not begin operating for approximately a year, the TDD distribution program should begin as soon as possible. In order to provide funds to pay for the costs of the purchase and distribution of TDDs, the legislation requires the surcharge to begin on July 1, 1991.

To give the staff time to review tariffs and, if necessary, to present them to the Commissioners at agenda, the local exchange companies (LECs) should be required to file their surcharge tariffs by May 31, 1991. The tariff should apply to bills rendered on or after July 1, 1991. The tariff should generally describe the surcharge and not specify the exact amount of surcharge. As required by the statute, the LECs shall remit the surcharge revenues on a monthly basis beginning August 15, 1991 to the Administrator.

Billing

The Act intends that the costs associated with implementing the Act are separately identifiable. Thus the Act calls for a surcharge as opposed to simply increasing the basic local exchange rates.

However, the Act does not require that the surcharge appear on the bill each month. The Act does require that the surcharge be itemized annually. Section 427.704(4)(a) 2. states:

Require all local exchange telecommunications companies to include the surcharge as a part of the local service charge that appears on the customer's bill, except that the local exchange telecommunications company shall specify the surcharge on the initial bill to the subscriber and itemize it at least once annually.

Since the surcharge is a small amount (no more than \$.25) and is a nonoptional item, the telephone companies should not identify the surcharge as a separate line item on the bill except when they provide a totally itemized bill. For example, some companies provide an unbundled billing every month anyway (e.g., Centel, Southland, Gulf, Northeast, Quincy). If a company normally provides a detailed billing breakdown, it would itemize the Telecommunications System Access Act surcharge each month just as it itemizes all other charges. However, if a company's normal monthly bill bundles together other local charges, the surcharge should not be itemized.

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The surcharge should appear on the first bill rendered after July 1, 1991, at the time of the annual inventory statement and each time the surcharge is changed as well as any other time a completely itemized bill is rendered. However, the surcharge should be itemized no more often than the total bill is itemized. When the surcharge is itemized on the bill, it should be identified as a "Telecommunications Access System Act Surcharge" or some abbreviation of this. If the company instead seeks to use a substitute phrase, it must be reviewed by staff and the Advisory Committee.

Finally, it should be noted that the Commission is interpreting "account bill rendered" for purposes of determining the 25 access line limit using the methodology each local exchange company currently uses to define an individual account.

427.704(4)(a)1. states:

The Commission shall establish a mechanism to recover the costs of implementing and maintaining the services required pursuant to this part which shall be applied to each basic telecommunications access line. In establishing the procedure, the Commission shall:

(1) Require all local exchange telecommunications companies to impose a monthly surcharge on all local exchange telecommunications company subscribers on an individual access line basis, except that such surcharge shall not be imposed upon more than 25 basic telecommunications access lines per account bill rendered.

A question that arose during the legislative session was what constitutes an "account bill rendered"? This issue arose particularly with regard to payphone services. There may not be consistency either within a given local exchange telephone company or between local exchange telephone companies as to what constitutes an "account". In most cases, a single pay telephone instrument is treated as a single account, since each instrument receives a separate bill. However, it is not clear what the telephone companies could or should do in terms of accumulating services for purposes of defining an account. If a payphone telephone company controls several single instrument locations, it is unclear whether a charge for those services can be accumulated to produce a single account or whether those are individual accounts. Similar questions arise where there is a bank of telephones. This issue would normally not be of major consequence

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to most customers except in a case such as this where no lines after the first twenty-five are billed the surcharge.

Similar questions arise for customers other than payphone services. For example, a bank might have a location with ten (10) lines in Miami, ten (10) lines in Ft. Lauderdale, and ten (10) lines in North Dade. Again there is a question whether the thirty (30) lines should be billed as one account or whether the fact that the service is not on continuous property serves to identify the size of the "account".

On May 3, 1991, staff sent a data request to all local exchange companies requesting information on how the companies view various sections of the Telecommunications System Access Act of 1991. In our investigation, staff has discovered that there are several differences in how various local exchange companies define account. Until a change is made, for purposes of determining the twenty-five access line limit for applying the surcharge, an account should be defined by using the methodology each local exchange company currently uses to define an individual account.

Although we recognize there may be some inconsistencies on how the individual companies group their lines for account purposes, due to the time constraint placed upon the local exchange companies to begin collecting the surcharge in July, we believe that this is the appropriate procedure at this time.

Therefore, based on the foregoing, it is

ORDERED by the Florida Public Service Commission that local exchange telephone companies shall be required to file tariffs by May 31, 1991, to explain the surcharge and shall begin billing the surcharge in the amount of \$.05 per access line per month on bills rendered on or after July 1, 1991. It is further

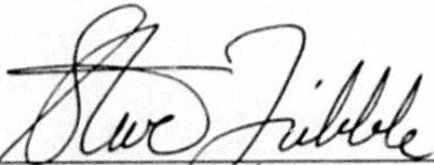
ORDERED that itemization of the surcharge shall appear on the first bill rendered after July 1, 1991, at the time of the annual inventory statement, each time the surcharge is changed and any other time the entire bill is itemized; and it shall not be itemized any more often than normal itemization. It is further

ORDERED that the identification "Telecommunication Access System Act Surcharge" or some abbreviation of such shall be used unless approval is obtained for a substitute.

ORDERED that the LECs remit the surcharge revenues on a monthly basis beginning August 15, 1991, to the Administrator.

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By ORDER of the Florida Public Service Commission this 24th
day of MAY, 1991.



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 June 7.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date 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.

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If this order becomes final and effective on the date described above, 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.