

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of CENTRAL TELEPHONE )	DOCKET NO. 891246-TL
COMPANY OF FLORIDA for a rate )	ORDER NO. 24674
increase. )	ISSUED: 6/17/91

The following Commissioners participated in the disposition of this matter:

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

ORDER APPROVING TARIFF PROPOSAL

BY THE COMMISSION:

In response to customer and staff concerns about the size of Central Telephone of Florida's (Centel's or the Company's) rate increases to its Local Channel 1204 and Local Channel 1205 private line alarm circuits, Centel submitted a proposed tariff filing to phase-in recurring rates for these services. The proposed phase-in applies to recurring rates for local and interoffice channels for these types of private line services. The Company proposes that the first stage of the phase-in include rates which are fifty percent of the final rates for these services and that such rates become effective retroactive to April 1, 1991. The Company further proposes that the final phase go into effect on October 1, 1991.

Among other things, we approved rate increases for Centel's Local Private Line Services in this docket at a Special Agenda held on January 30 and 31, 1991. The new rates for these services went into effect April 1, 1991. These rates were billed to customers beginning April 15, 1991. Shortly after this date, our staff began receiving numerous complaints from customers who reported that the rate increases for their alarm circuits, known as Local Channel Type 1204, were excessively large. In most of these cases, customers complained that their bills had increased from the range of \$5 to \$15 per month per circuit to the range of \$31 to \$70 per month per circuit, representing increases in rates of approximately 500%. In addition, customers complained that they had no knowledge that increases of this magnitude had been approved until they received their bills. After receiving their bills, several customers reported that they intended to discontinue, or had already discontinued, service due to the unacceptably high price of the service after the rate increase.

The size of the rate increase for these circuits is a function of both the length of the circuit, as measured before the

DOCUMENT NUMBER-DATE

06048 JUN 17 1991

FPSC-RECORDS/REPORTING

ORDER NO. 24674  
DOCKET NO. 891246-TL  
PAGE 2

restructure and after the restructure, and whether an interoffice channel is included in the circuit. We find that the substantial rate increases evident from statistical data provided by Centel are necessary in order for these services to recover their incremental costs and to provide a contribution to the common costs of the Company. Centel's new rates for these services are less than the new rates for similar services provided in Southern Bell's serving area as established in Docket 890505-TL. However, the increases in Centel's alarm circuit rates impacted Centel customers much more than the increases in Southern Bell's alarm circuit rates impacted Southern Bell customers because of the comparatively low price under Centel's old rates.

Upon review, we find that the recently-implemented one-step increase in rates for these services is not acceptable and that the proposed phase-in period is appropriate in this case. In order to allow the phase-in to occur, effective on a retroactive basis, customers already billed for charges related to these services for the periods after April 1, 1991, shall be credited for all payments made for such charges. In addition, all customers of these services shall be notified immediately by letter of the phase-in so that they can make informed decisions regarding the service. The letter shall include an analysis of each customer's bill, including the old rates, the first phase rates, and the final rates.

Upon review, we find that Centel's proposed tariff filing to phase-in the Company's recent increase in the recurring rates for Local Channels 1204 and 1205 Private Line Services is appropriate, with the first phase, effective retroactively to April 1, 1991, to reflect rates for these services which are fifty percent of the final rates. The final rates shall become effective October 1, 1991. Centel shall be required to notify all customers of the phase-in no later than June 15, 1991, including a written analysis of each customer's bill under the old rates, the first phase rates, and the final rates.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Central Telephone Company of Florida's proposed tariff filing to phase-in the Company's recent increase in the recurring rates for Local Channels 1204 and 1205 Private Line Services is hereby approved as set forth in the body of this Order. It is further

ORDERED that this tariff will become final if no protest is filed in accordance with the requirement set forth below. It is further

ORDER NO. 24674  
DOCKET NO. 891246-TL  
PAGE 3

ORDERED that this docket shall remain open.

By ORDER of the Florida Public Service Commission, this  
17th day of JUNE, 1991.

  
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STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

CWM/ABG

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 Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the action proposed files a petition for a formal proceeding, as provided by Rule 25-22.036(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a)(d) and (e), 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 July 8, 1991.

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

ORDER NO. 24674  
DOCKET NO. 891246-TL  
PAGE 4

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 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 date this Order becomes final, 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.