

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for review of rates and) DOCKET NO. 860723-TP
charges paid by PATS providers to LECs.) ORDER NO. PSC-92-0007-FOF-TP
_____) ISSUED: 03/03/92

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman
SUSAN F. CLARK
J. TERRY DEASON
BETTY EASLEY
LUIS J. LAUREDO

NOTICE OF PROPOSED AGENCY ACTION
ORDER CHANGING PROCEDURE FOR
DETERMINING UNCOLLECTIBLE FACTOR

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 adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

On January 2, 1992, Southern Bell Telephone and Telegraph Company (Southern Bell) filed a Petition for Partial Waiver of Order No. 25312. Similar petitions were filed by Central Telephone Company of Florida (Centel) and United Telephone Company of Florida (United) on January 10, 1992, and January 31, 1992, respectively.

The companies have requested a waiver of that portion of Order No. 25312 that requires the local exchange companies (LECs) to file tariff revisions to put in place procedures for uncollectibles comparable to those found at Section E-8 of Southern Bell's Access Tariff. As grounds for its request, Southern Bell states:

1. NPATS providers are not required to obtain Carrier Identification Codes (CICs).
2. Without a CIC, it is not possible for the LEC to track uncollectibles for each NPATS provider's specific uncollectibles.
3. To require NPATS providers to obtain the CICs is neither practical nor likely. CICs are assigned on a nationwide basis and the process

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of assignment is not designed to accommodate the number of NPATS companies that are currently doing business in Florida.

4. Southern Bell has determined that it could calculate an uncollectible factor to be applied to all NPATS based on industry performance.
5. Southern Bell proposes a 2% uncollectible factor which was determined by the Company's overall net bad debt for business, residential, access, coin, etc.

Centel and United concur with Southern Bell. Centel's uncollectible factor is based on the overall net bad debt factor of all bad debt from collectibles including residential, business, access, coin, etc. Centel's net bad debt factor falls between 4% and 6%. United's factor includes intraLATA uncollectible, unbillable, and "denied all knowledge" call activity, with a range of 2.73% to 3.41% in 1991.

Based upon the petitions filed by these companies, we believe it is appropriate to change, for all LECs, the procedures for calculating an uncollectible factor for the NPATS surcharge and set use charge. It was our original intent to ensure that the LECs did not arbitrarily develop an uncollectible factor for the set use charge. Because of the lack of evidence on this issue, we were unaware of the technical limitations of our original procedures. We believe that the net bad debt is the appropriate method to determine the uncollectible factor. Accordingly, we hereby propose that this revised procedure be utilized in lieu of that set forth in Order No. 25312.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the Petitions for Waiver of Order No. 25312 filed by Southern Bell Telephone and Telegraph Company on January 2, 1992, Central Telephone Company of Florida on January 10, 1992, and United Telephone Company of Florida on January 31, 1992, are hereby granted to the extent outlined herein. It is further

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ORDERED that the procedures for determining the uncollectible factor set forth in Order No. 25312 shall be changed to those described herein. It is further

ORDERED that our proposed actions described herein shall become final and effective on the first working day following the date set forth below, if no timely protest is filed in accordance with the requirements set forth below. It is further

ORDERED that if our proposed action becomes final, all local exchange companies shall file appropriate tariff revisions to implement the newly described procedures. It is further

ORDERED that this docket shall remain open.

By ORDER of the Florida Public Service Commission, this 3rd day of MARCH, 1992.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

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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.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-

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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 03/24/92.

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.

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 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 wastewater 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.